FEDERAL REGISTER

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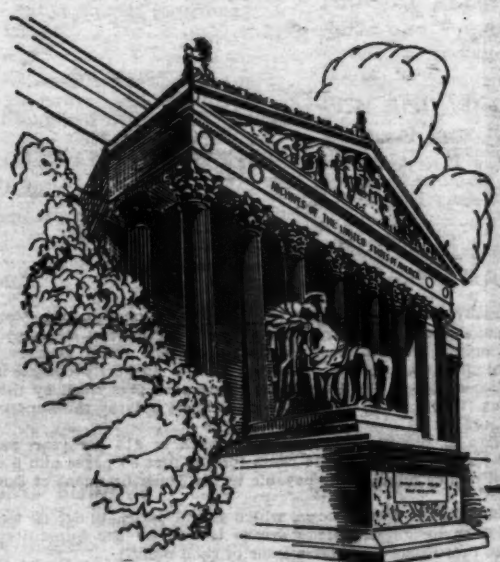
(Part II begins on page 12515)

THE UNIVERSITY OF MICHIGAN
SEP 1 1967
MAIN READING ROOM

Agencies in this issue—

The President
Agricultural Research Service
Air Force Department
Civil Service Commission
Coast Guard
Consumer and Marketing Service
Customs Bureau
Engineers Corps
Federal Highway Administration
Federal Housing Administration
Federal Maritime Commission
Federal Power Commission
Federal Reserve System
Fish and Wildlife Service
Food and Drug Administration
Interagency Textile Administrative Committee
Interior Department
Interstate Commerce Commission
Land Management Bureau
Navy Department
Securities and Exchange Commission
Wage and Hour Division

Detailed list of Contents appears inside.



No. 167—Pt. I——1

Current White House Releases

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS

The *Weekly Compilation of Presidential Documents* began with the issue dated Monday, August 2, 1965. It contains transcripts of the President's news conferences, messages to Congress, public speeches, remarks and statements, and other Presidential material released by the White House up to 5 p.m. of each Friday.

This weekly service includes an Index of Contents preceding the text and a Cumulative Index to Prior Issues at the end. Cumulation of this index terminates at the end of each quarter and begins anew with the following issue. Semiannual and annual indexes are published separately.

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Contents

THE PRESIDENT

PROCLAMATION

"Stay in School" 12469

EXECUTIVE AGENCIES

AGRICULTURAL RESEARCH SERVICE

Rules and Regulations

Oranges, grapefruit, and tangerines; administrative instructions prescribing method of treatment for Mediterranean fruit fly 12471

AGRICULTURE DEPARTMENT

See Agricultural Research Service; Consumer and Marketing Service.

AIR FORCE DEPARTMENT

Rules and Regulations

Miscellaneous amendments to subchapter 12475

Notices

Organization statement 12489

ARMY DEPARTMENT

See Engineers Corps.

CIVIL SERVICE COMMISSION

Rules and Regulations

Pay under the classification act system; superior qualifications appointments 12472

COAST GUARD

Rules and Regulations

Disclosure of safety standards; interpretative rulings regarding advertising 12479

Notices

Equipment, installations, or materials; approval and termination of approval notice 12493

CONSUMER AND MARKETING SERVICE

Rules and Regulations

Expenses and rate of assessment:
- Dried prunes produced in California 12472
- Fresh prunes grown in designated counties in Washington and in Umatilla County, Oreg 12472

Proposed Rule Making

Milk in Minnesota-North Dakota marketing area; decision 12516

Wool standards 12485

CUSTOMS BUREAU

Proposed Rule Making

Entry of imported merchandise; powers of attorney 12481

DEFENSE DEPARTMENT

See Air Force Department; Engineers Corps; Navy Department.

ENGINEERS CORPS

Rules and Regulations

St. Marys Falls Canal and Locks, Mich.; navigation regulations 12479

FEDERAL HIGHWAY ADMINISTRATION

Notices

Regrooved tires; notice of extension of time to file comments 12501

FEDERAL HOUSING ADMINISTRATION

Rules and Regulations

Introduction; delegation of authority to Regional Administrators 12475

FEDERAL MARITIME COMMISSION

Notices

South Atlantic & Caribbean Line, Inc., and SACAL, V.I., Inc.; agreement filed for approval 12507

FEDERAL POWER COMMISSION

Notices

Hearings, etc.:
- Grand Valley Transmission Co. 12505
- Humble Gas Transmission Co. (2 documents) 12506
- Natural Gas Pipeline Company of America (2 documents) 12506, 12507
- Phillips Petroleum Co., et al 12503
- Texas Eastern Transmission Corp 12507

FEDERAL RESERVE SYSTEM

Rules and Regulations

Rules of procedure; correction of form 12473

FISH AND WILDLIFE SERVICE

Proposed Rule Making

Restoration of game birds, fish, and mammals; proposed revision of administrative procedure 12481

FOOD AND DRUG ADMINISTRATION

Rules and Regulations

Drugs; neomycin sulfate; antibiotic otic suspension 12475

Food additives:
- Lubricants with incidental food contact 12474
- Paper and paperboard 12474

Hazardous substances; fuel for miniature engines 12475

Tolerances and exemptions from tolerances:
- Paraquat 12473
- 2,4-D 12473
- 2,3,5-triiodobenzoic acid 12474

Notices

Monsanto Co.; filing of petition regarding food additives 12493

HEALTH, EDUCATION, AND WELFARE DEPARTMENT

See Food and Drug Administration.

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

See Federal Housing Administration.

INTERAGENCY TEXTILE ADMINISTRATIVE COMMITTEE

Notices

Certain cotton textiles and cotton textile products produced or manufactured in the Republic of China; entry or withdrawal from warehouse for consumption 12501

INTERIOR DEPARTMENT

See also Land Management Bureau.

Notices

Finished products; adjustment in maximum imports into Puerto Rico 12493

Nelson, Theodore W.; statement of changes in financial interests 12493

INTERSTATE COMMERCE COMMISSION

Notices

Motor carrier temporary authority applications 12509

LABOR DEPARTMENT

See Wage and Hour Division.

LAND MANAGEMENT BUREAU

Notices

Colorado; notice of classification of lands 12492

NAVY DEPARTMENT

Notices

Organization statement; miscellaneous amendments 12492

SECURITIES AND EXCHANGE COMMISSION

Notices

Hearings, etc.:
- Coditron Corp 12501
- Subscription Television, Inc. 12501
- Vermont Yankee Nuclear Power Corp 12502

TRANSPORTATION DEPARTMENT

See Coast Guard; Federal Highway Administration.

(Continued on next page)

TREASURY DEPARTMENT

See Customs Bureau; Fish and Wildlife Service.

WAGE AND HOUR DIVISION

Notices

Certificates authorizing employment of full-time students working outside of school hours at special minimum wages in retail or service establishments or in agriculture 12508

List of CFR Parts Affected

(Codification Guide)

The following numerical guide is a list of the parts of each title of the Code of Federal Regulations affected by documents published in today's issue. A cumulative list of parts affected, covering the current month to date, appears at the end of each issue beginning with the second issue of the month.

A cumulative guide is published separately at the end of each month. The guide lists the parts and sections affected by documents published since January 1, 1967, and specifies how they are affected.

3 CFR

PROCLAMATION:

3801 12469

5 CFR

531 12472

7 CFR

319 12471
924 12472
993 12472

PROPOSED RULES:

31 12485
1060 12516

12 CFR

262 12473

19 CFR

PROPOSED RULES:

8 12481

21 CFR

120 (3 documents) 12473, 12474
121 (2 documents) 12474
1481 12475
191 12475

24 CFR

200 12475

32 CFR

1001 12476
1002 12476
1004 12476
1005 12477
1007 12479
1008 12479

33 CFR

207 12479

46 CFR

80 12479

50 CFR

PROPOSED RULES:

80 12481

Presidential Documents

Title 3—THE PRESIDENT

Proclamation 3801

"STAY IN SCHOOL"

By the President of the United States of America

A Proclamation

Education through high school is now within the reach of every American boy and girl. It is essential to our nation's welfare—and to theirs—that they grasp it.

This Nation could neither prosper nor endure without trained, productive men and women. For this reason, we have begun a massive campaign

—to extend the blessings of education to the children of the poor,

—to increase opportunities for vocational training,

—to help the physically handicapped,

—and to bring higher education within the grasp of more and more of our young people.

A high school diploma is not a sure pass to a successful life, but it vastly increases a young adult's chances for employment and economic independence.

Those who seek employment without training or preparation will knock upon many closed doors. This year, more than 900,000 of our youth will not return to their high school classrooms to complete their secondary education.

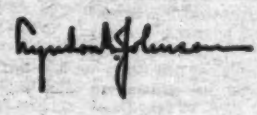
For their sake and for ours, it is urgent that they, and others who are tempted to leave school, be persuaded to continue their education.

Citizens in communities across the Nation can help to combat the high school dropout problem—and they are. We have succeeded in reducing the percentage of dropouts among high school age youngsters from 25 percent in 1960 to 18 percent last year. But we must do more.

To emphasize the importance of this task, I, LYNDON B. JOHNSON, President of the United States of America, do proclaim a national "Stay in School" campaign.

I call upon the American people to make this campaign successful. I ask the citizens of every community to take an active part in furthering the improvement of American education. I urge that the total resources of all communities be brought to bear upon the educational needs of every young person. I propose that we translate into reality our fond hope that, in this Nation, no young man or woman shall reject, or be rejected by, our most essential institution.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-fifth day of August in the year of our Lord nineteen hundred and sixty-seven, and of the Independence of the United States of America the one hundred and ninety-second.



THE WHITE HOUSE

[F.R. Doc. 67-10177; Filed, Aug. 25, 1967; 5:13 p.m.]

Rules and Regulations

Title 7—AGRICULTURE

Chapter III—Agricultural Research Service, Department of Agriculture

PART 319—FOREIGN QUARANTINE NOTICES

Subpart—Fruits and Vegetables

ADMINISTRATIVE INSTRUCTIONS PRESCRIBING METHOD OF TREATMENT OF ORANGES, GRAPEFRUIT, AND TANGERINES FOR MEDITERRANEAN FRUIT FLY

Pursuant to the authority conferred by § 319.56–2 of the regulations (7 CFR 319.56–2) supplemental to the Fruit and Vegetable Quarantine (Notice of Quarantine No. 56, 7 CFR 319.56), under sections 5 and 9 of the Plant Quarantine Act of 1912 (7 U.S.C. 159, 162), administrative instructions designated as 7 CFR 319.56–2p are hereby revised to read as follows:

§ 319.56–2p Administrative instructions prescribing method of fumigation of oranges, grapefruit, and tangerines for the Mediterranean fruit fly.

Fumigation with ethylene dibromide upon arrival, in accordance with the procedures described in this section, is hereby authorized as an alternate condition-of-entry treatment for oranges, grapefruit, and tangerines offered for entry under permit under § 319.56–2 from countries where the Mediterranean fruit fly is known to occur. This treatment is specific for the Mediterranean fruit fly and will not qualify for entry shipments of fruit from countries where other dangerous citrus pests occur for which the treatment is not effective.

(a) *Ports of entry.* Oranges, grapefruit, and tangerines to be offered for entry must be shipped from the country of origin directly to New York or such other North Atlantic port as may be named in the permit. Furthermore, shipments moving by air must be so routed as to avoid landing at ports south of Baltimore.

(b) *Approved fumigation.* (1) The approved treatment shall consist of fumigation with ethylene dibromide for 2 hours at normal atmospheric pressure, in a fumigation chamber which has been approved for the purpose by the Plant Quarantine Division. The dosage shall be applied at the following rates:

Fruit load in percent of chamber volume	Dosage in ounces per 1,000 cubic feet	
	60°–69° F.	70° F. or above
Percent		
25 or less	16	8
26–49	12	10
50–80	14	12

Fumigation with a fruit load of more than 80 percent of the chamber volume is not authorized. Post-treatment aeration in the fumigation chambers for 30 minutes is required. Both fruit and air temperatures in the chamber shall be within the prescribed temperature range. Cubic feet of space shall be that of the unloaded chamber. The ethylene dibromide must be applied as a liquid and volatized within the sealed fumigation chamber in an electrically heated vaporizing pan. The electrically heated vaporizing pan shall be controlled by a switch outside the chamber and shall be equipped with a signal light to indicate when the current is on or off. Fifteen minutes after all liquid ethylene dibromide has been injected into the vaporizing pan inside the fumigation chamber, the electric current for the vaporizing pan must be turned off, and the 2-hour period of exposure shall begin. The gas shall be circulated within the chamber continuously for the 2-hour period by electric fans or blowers. The fans or blowers must be of a capacity to circulate the entire air mass within the chamber in 3 minutes.

(2) Oranges, grapefruit, and tangerines to be fumigated may be packed in slatted crates or well perforated unwaxed cardboard cartons with wood excelsior packing material. The fruit may be waxed and individually wrapped with conventional citrus tissue which is gas-permeable. When loaded in the fumigation chamber the crates or containers must be stacked evenly over the floor surface and the crates or containers in a stack shall be separated at least 2 inches on all sides by wooden strips or other means, to insure adequate gas circulation. Fruit in mesh bags or well perforated polyethylene bags (twenty ¼-inch perforations for 5-pound bags, equally spaced on the two sides; proportionately more openings on larger bags) must be placed in crates or similar containers for fumigation.

(c) *Other conditions.* The unloading of oranges, grapefruit, and tangerines from the means of conveyance, their delivery to an approved fumigation plant, and the fumigation procedure will be under the supervision of an inspector of the Plant Quarantine Division. The unloading and delivery and any other handling prior to fumigation shall be conducted in accordance with such safeguards as the inspector may require to prevent the dissemination of injurious insects. Furthermore, the fruit shall be inspected and the finding of plant pests other than the Mediterranean fruit fly may be cause for additional treatment, or denial of entry if no satisfactory treatment is known. Final release of the fruit for entry into the United States will be conditioned upon compliance with such safeguard requirements and the prescribed regulations. Also, restrictions imposed by special quarantines shall remain in full force and effect.[1]

(d) *Costs.* All costs of treatment and required safeguards and supervision, other than the services of the supervising inspector during regularly assigned hours of duty and at the usual place of duty shall be borne by the owner of the fruit, or his representative.

(e) *Department not responsible for damage.* The treatment prescribed in paragraph (b) of this section is judged from experimental tests to be safe for use with oranges, grapefruit, and tangerines. However, the Department assumes no responsibility for any damage sustained through or in the course of treatment. There has not been an opportunity to test the treatment on all varieties of oranges, grapefruit, and tangerines that may be offered for entry from various countries. It is recommended that shippers check the phytotoxicity of the treatment to the variety to be shipped, either through tests at origin or by means of test shipments sent to this country.

(Sec. 9, 37 Stat. 318, 7 U.S.C. 162. Interprets or applies sec. 5, 37 Stat. 316, 7 U.S.C. 159. 29 F.R. 16210, as amended, 7 CFR 319.56–2)

These revised administrative instructions shall become effective August 29, 1967, when they shall supersede 7 CFR 319.56–2p, effective January 24, 1963.

The principal purpose of these amendments is to include grapefruit and tangerines as fruits that may be imported under permit from countries infested with the Mediterranean fruit fly (but no other dangerous citrus pests) after such fruits have been given the prescribed treatment. Also, dosages of the fumigant have been lowered, the range of temperatures increased, and a further subdivision in the schedule provided based on the fruit load as a percentage of the chamber volume.

The previous regulations prescribed a dosage of 24 ounces of ethylene dibromide per 1,000 cubic feet at temperatures from 50° to 60° F. Further experimental work by U.S. Department of Agriculture scientists has disclosed that this large dosage at these temperatures might, under certain conditions, present undue hazards.

Insofar as this revision relieves certain restrictions, it should be made effective promptly to be of maximum benefit to importers. The amendments also impose certain additional restrictions by eliminating dosages for treatments at lower

[1] Sec. 319.38 prohibits the entry of oranges, grapefruit, and tangerines from eastern and southeastern Asia (including India, Burma, Ceylon, Thailand, Indochina, and China), the Malay Archipelago, the Philippine Islands, Oceania (except Australia and Tasmania), Japan and adjacent islands, Formosa, Mauritius, Seychelles, Brazil, Paraguay, Argentina, and Uruguay.

temperatures. In this respect, the amendments should be made effective promptly in order to inaugurate the newly prescribed safeguards. Therefore, pursuant to the administrative procedure provisions of 5 U.S.C., § 553, it is found upon good cause that notice and other public procedure with respect to these amendments are impracticable and contrary to the public interest and good cause is found for making the amendments effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Hyattsville, Md., this 23d day of August 1967.

[SEAL] F. A. JOHNSTON,
Director,
Plant Quarantine Division.

[F.R. Doc. 67-10100; Filed, Aug. 28, 1967; 8:46 a.m.]

Chapter IX—Consumer and Marketing Service (Marketing Agreements and Orders; Fruits, Vegetables, Nuts), Department of Agriculture

PART 924—FRESH PRUNES GROWN IN DESIGNATED COUNTIES IN WASHINGTON AND IN UMATILLA COUNTY, OREGON

Expenses and Rate of Assessment

On August 9, 1967, notice of rule making was published in the FEDERAL REGISTER (32 F.R. 11475) regarding proposed expenses and the related rate of assessment for the period April 1, 1967, through March 31, 1968, and approval of the carryover of unexpended funds from the period April 1, 1966, through March 31, 1967, pursuant to the marketing agreement, and Order No. 924 (7 CFR Part 924), regulating the handling of fresh prunes grown in designated counties in Washington and in Umatilla County, Oreg. This regulatory program is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674). After consideration of all relevant matters presented, including the proposals set forth in such notices which were submitted by the Washington-Oregon Fresh Prune Marketing Committee (established pursuant to said marketing agreement and order), it is hereby found and determined that:

§ 924.207 Expenses and rate of assessment.

(a) *Expenses.* Expenses that are reasonable and likely to be incurred by the Washington-Oregon Fresh Prune Marketing Committee during the period April 1, 1967, through March 31, 1968, will amount to $15,574.

(b) *Rate of assessment.* The rate of assessment for said period, payable by each handler in accordance with § 924.41, is fixed at $1 per ton of fresh prunes.

(c) *Reserve.* Unexpended assessment funds, in excess of expenses incurred during the fiscal period ended March 31, 1967, shall be carried over as a reserve in accordance with the applicable provisions of § 924.42 of said marketing agreement and order.

It is hereby further found that good cause exists for not postponing the effective date hereof until 30 days after publication in the FEDERAL REGISTER (5 U.S.C. 553) in that (1) shipments of the current crop of fresh prunes grown in the designated production area are now being made; (2) the relevant provisions of said marketing agreement and this part require that the rate of assessment herein fixed shall be applicable to all assessable prunes handled during the aforesaid period; and (3) such period began on April 1, 1967, and said rate of assessment will automatically apply to all such prunes beginning with such date.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: August 22, 1967.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Consumer and Marketing Service.

[F.R. Doc. 67-10101; Filed, Aug. 28, 1967; 8:47 a.m.]

PART 993—DRIED PRUNES PRODUCED IN CALIFORNIA

Expenses of the Prune Administrative Committee and Rate of Assessment for the 1967–68 Crop Year

Notice was published in the August 9, 1967, issue of the FEDERAL REGISTER (32 F.R. 11476) regarding proposed expenses of the Prune Administrative Committee for the 1967–68 crop year and rate of assessment for that crop year, pursuant to §§ 993.80 and 993.81 of the marketing agreement, as amended, and Order No. 993, as amended (7 CFR Part 993), regulating the handling of dried prunes produced in California. The amended marketing agreement and order are effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674).

The notice afforded interested persons an opportunity to submit written data, views, or arguments with respect to the proposal. None were submitted within the prescribed time.

After consideration of all relevant matter presented, including that in the notice, the information and recommendations submitted by the Prune Administrative Committee, and other available information, it is found that the expenses of the Prune Administrative Committee and the rate of assessment for the crop year beginning August 1, 1967, shall be as follows:

§ 993.318 Expenses of the Prune Administrative Committee and rate of assessment for the 1967–68 crop year.

(a) *Expenses.* Expenses in the amount of $97,500 are reasonable and likely to be incurred by the Prune Administrative Committee during the crop year beginning August 1, 1967, for its maintenance and functioning and for such other purposes as the Secretary may, pursuant to the applicable provisions of the marketing agreement, as amended, and this part, determine to be appropriate.

(b) *Rate of assessment.* The rate of assessment for such crop year which each handler is required, pursuant to § 993.81, to pay to the Prune Administrative Committee as his pro rata share of the said expenses is fixed at 75 cents per ton of salable prunes handled by him as the first handler thereof.

It is found that good cause exists for not postponing the effective time of this action until 30 days after publication in the FEDERAL REGISTER (5 U.S.C. 553) in that: (1) The relevant provisions of said marketing agreement and this part require that the rate of assessment fixed for a particular crop year shall be applicable to all salable prunes handled by handlers as the first handlers thereof; and (2) the current crop year began on August 1, 1967, and the rate of assessment herein fixed will automatically apply to all such prunes beginning with that date.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: August 24, 1967.

PAUL A. NICHOLSON,
Deputy Director,
Fruit and Vegetable Division.

[F.R. Doc. 67-10110; Filed, Aug. 28, 1967; 8:47 a.m.]

Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 531—PAY UNDER THE CLASSIFICATION ACT SYSTEM

Superior Qualifications Appointments

Section 531.203(b) is amended to make clear that a 90-day break in service is not required between service as a member of the Commissioned Corps of the Coast and Geodetic Survey or the Commissioned Corps of the Public Health Service and a superior qualifications appointment. Section 531.203(b)(2) is amended as set out below.

§ 531.203 General provisions.

* * * * * * *

(b) *Superior qualifications appointments.* * * *

(2) A department may make a superior qualifications appointment by new appointment or by reemployment except that when made by reemployment, the candidate must have a break in service of at least 90 calendar days from his last period of Federal employment or employment with the municipal government of the District of Columbia (other than (i) employment under an appointment as an expert or consultant under section 3109 of title 5, United States Code, (ii) employment under a temporary appointment effected primarily in furtherance of

a postdoctoral research program or effected as a part of a predoctoral or postdoctoral training program during which the employee receives a stipend, or (iii) employment as a member of the Commissioned Corps of the Coast and Geodetic Survey or the Commissioned Corps of the Public Health Service).

* * * * *

(5 U.S.C. 5338)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[F.R. Doc. 67-10150; Filed, Aug. 28, 1967; 8:49 a.m.]

Title 12—BANKS AND BANKING

Chapter II—Federal Reserve System

SUBCHAPTER A—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

PART 262—RULES OF PROCEDURE

Correction

The document adopting a revision of this part (F.R. Doc. 67-9711), published in the FEDERAL REGISTER of August 19, 1967, at 32 F.R. 11984, is corrected by inserting in the list of Forms in § 262.6, after the number and title of Form 314 and before that of Form 414, the following:

391 Monthly Report on Foreign Claims

Dated at Washington, D.C., this 22d day of August 1967.

Board of Governors of the Federal Reserve System.

[SEAL] MERRITT SHERMAN,
Secretary.

[F.R. Doc. 67-10091; Filed, Aug. 28, 1967; 8:46 a.m.]

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

SUBCHAPTER B—FOOD AND FOOD PRODUCTS

PART 120—TOLERANCES AND EXEMPTIONS FROM TOLERANCES FOR PESTICIDE CHEMICALS IN OR ON RAW AGRICULTURAL COMMODITIES

2,4-D

An order was published in the FEDERAL REGISTER of April 11, 1967 (32 F.R. 5772), amending § 120.142 by establishing tolerances for residues of 2,4-D (2,4-dichlorophenoxyacetic acid) in or on the grain and forage of barley, oats, rye, and wheat, from the application of the herbicide 2,4-D in acid form or in the form of some of its salts, amines, or esters. Inadvertently, the compound heptylamine was omitted from the list of amine salts of 2,4-D and the names linoleylamine and oleylamine were used instead of the correct names *N,N*-dimethyllinoleylamine and *N,N*-dimethyloleylamine.

The Secretary of Agriculture has certified that the aforementioned chemicals are registered with the Department of Agriculture. Therefore, pursuant to the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (sec. 408(e), 68 Stat. 514; 21 U.S.C. 346a(e)) and delegated by him to the Commissioner of Food and Drugs (21 CFR 2.120), § 120.142(b)(2) is revised to read as follows:

§ 120.142 2,4-D; tolerances for residues.

* * * * *

(b) * * *

(2) The amine salts: Alkanolamines (of the ethanol and isopropanol series), alkyl (C–12), alkyl (C–13), alkyl (C–14), alkylamines derived from tall oil, amylamine, diethanolamine, diethylamine, diisopropanolamine, dimethylamine, diisopropanolamine, dimethylamine, *N,N*-dimethyllinoleylamine, *N,N*-dimethyloleylamine, ethanolamine, ethylamine, heptylamine, isopropanolamine, isopropylamine, methylamine, morpholine, octylamine, *N*-oleyl-1,3-propylenediamine, propylamine, triethanolamine, triethylamine, triisopropanolamine, and trimethylamine.

* * * * *

Any person who will be adversely affected by the foregoing order may at any time within 30 days from the date of its publication in the FEDERAL REGISTER file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington, D.C. 20201, written objections thereto, preferably in quintuplicate. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof.

Effective date. This order shall become effective on the date of its publication in the FEDERAL REGISTER.

(Sec. 408(e), 68 Stat. 514; 21 U.S.C. 346a(e))

Dated: August 18, 1967.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 67-10114; Filed, Aug. 28, 1967; 8:47 a.m.]

PART 120—TOLERANCES AND EXEMPTIONS FROM TOLERANCES FOR PESTICIDE CHEMICALS IN OR ON RAW AGRICULTURAL COMMODITIES

Paraquat

A petition (PP 7F0579) was filed with the Food and Drug Administration by Chevron Chemical Co., Ortho Division, 940 Hensley Street, Richmond, Calif. 94801, proposing that § 120.205 be amended to provide for tolerances for paraquat (1,1'-dimethyl-4,4'-bipyridinium) residues derived from the application of the dichloride salt (calculated as the cation) in or on cottonseed and potatoes at 0.5 part per million.

The Secretary of Agriculture has certified that this pesticide chemical is useful for the purposes for which the tolerances are being established.

Based on consideration given the data submitted in the petition, and other relevant material, the Commissioner of Food and Drugs concludes that the tolerances established by this order will protect the public health. Therefore, by virtue of the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (sec. 408(d)(2), 68 Stat. 512; 21 U.S.C. 346a(d)(2)) and delegated by him to the Commissioner (21 CFR 2.120), § 120.205 is revised to read as follows:

§ 120.205 Paraquat; tolerances for residues.

Tolerances are established for residues of the desiccant and defoliant paraquat (1,1'-dimethyl-4,4'-bipyridinium) derived from application of either the bis(methyl sulfate) or dichloride salt, calculated in both instances as the cation, in or on the raw agricultural commodities cottonseed and potatoes at 0.5 part per million.

Any person who will be adversely affected by the foregoing order may at any time within 30 days from the date of its publication in the FEDERAL REGISTER file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington, D.C. 20201, written objections thereto, preferably in quintuplicate. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof.

Effective date. This order shall become effective on the date of its publication in the FEDERAL REGISTER.

(Sec. 408(d)(2), 68 Stat. 512; 21 U.S.C. 346a(d)(2))

Dated: August 18, 1967.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 67-10116; Filed, Aug. 28, 1967; 8:48 a.m.]

PART 120—TOLERANCES AND EXEMPTIONS FROM TOLERANCES FOR PESTICIDE CHEMICALS IN OR ON RAW AGRICULTURAL COMMODITIES

2,3,5-Triiodobenzoic Acid

A petition (PP 7F0554) was filed with the Food and Drug Administration by Amchem Products, Inc., Ambler, Pa. 19002, proposing the establishment of a tolerance of 0.015 part per million for residues of the plant regulator 2,3,5-triiodobenzoic acid and its dimethylamine salt in or on the raw agricultural commodity apples. Subsequently the petition was amended to increase the proposed tolerance from 0.015 to 0.05 part per million.

The Secretary of Agriculture has certified that this pesticide chemical is useful for the purpose for which the tolerance is being established.

Based on consideration given the data submitted in the petition, and other relevant material, the Commissioner of Food and Drugs concludes that the tolerance established by this order will protect the public health. Therefore, by virtue of the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (sec. 408(d)(2), 68 Stat. 512; 21 U.S.C. 346a(d)(2)) and delegated by him to the Commissioner (21 CFR 2.120), Part 120 is amended by adding to Subpart C the following new section:

§ 120.219 2,3,5-Triiodobenzoic acid; tolerances for residues.

A tolerance of 0.05 part per million is established for negligible residues of the plant regulator 2,3,5-triiodobenzoic acid and for its dimethylamine salt (calculated as 2,3,5-triiodobenzoic acid) in or on the raw agricultural commodity apples.

Any person who will be adversely affected by the foregoing order may at any time within 30 days from the date of its publication in the FEDERAL REGISTER file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington, D.C. 20201, written objections thereto, preferably in quintuplicate. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof.

Effective date. This order shall become effective on the date of its publication in the FEDERAL REGISTER.

(Sec. 408(d)(2), 68 Stat. 512; 21 U.S.C. 346a(d)(2))

Dated: August 21, 1967.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 67-10115; Filed, Aug. 28, 1967; 8:47 a.m.]

PART 121—FOOD ADDITIVES

Subpart F—Food Additives Resulting From Contact With Containers or Equipment and Food Additives Otherwise Affecting Food

PAPER AND PAPERBOARD

The Commissioner of Food and Drugs, having evaluated the data in a petition (FAP 5B1747) filed by E. I. du Pont de Nemours & Co., Wilmington, Del. 19898, and other relevant material, has concluded that the food additive regulations should be amended to provide for use of the additional optional substance specified below in the formulation of paper and paperboard used in contact with aqueous and fatty foods. Therefore, pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(c)(1), 72 Stat. 1786; 21 U.S.C. 348(c)(1)) and under the authority delegated to the Commissioner by the Secretary of Health, Education, and Welfare (21 CFR 2.120), § 121.2526(a)(5) is amended by alphabetically inserting in the list of substances a new item, as follows:

§ 121.2526 Components of paper and paperboard in contact with aqueous and fatty foods.

* * * * * * *

(a) * * *

(5) * * *

List of substances	*Limitations*
* * *	* * *
Diethanolamine salts of mono- and bis(1*H*,1*H*,2*H*,2*H*-perfluoroalkyl) phosphates where the alkyl group is even-numbered in the range C_6–C_{12} and the salts have a fluorine content of 52.4% to 54.4% as determined on a solids basis.	For use only as an oil and water repellent at a level not to exceed 0.17 pound (0.09 pound of fluorine) per 1,000 square feet of treated paper or paperboard, as determined by analysis for total fluorine in the treated paper or paperboard without correction for any fluorine which might be present in the untreated paper or paperboard, when such paper or paperboard is used in contact with nonalcoholic foods under the conditions of use described in paragraph (c) of this section, table 2, conditions of use (E), (F) and (G).
* * *	* * *

Any person who will be adversely affected by the foregoing order may at any time within 30 days from the date of its publication in the FEDERAL REGISTER file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington, D.C. 20201, written objections thereto, preferably in quintuplicate. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof.

Effective date. This order shall become effective on the date of its publication in the FEDERAL REGISTER.

(Sec. 409(c)(1), 72 Stat. 1786; 21 U.S.C. 348(c)(1))

Dated: August 18, 1967.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 67-10113; Filed, Aug. 28, 1967; 8:47 a.m.]

PART 121—FOOD ADDITIVES

Subpart F—Food Additives Resulting From Contact With Containers or Equipment and Food Additives Otherwise Affecting Food

LUBRICANTS WITH INCIDENTAL FOOD CONTACT

The Commissioner of Food and Drugs, having evaluated the data in a petition (FAP 7B2167) filed by Humble Oil & Refining Co., Post Office Box 2180, Houston, Tex. 77001, and other relevant material, has concluded that the food additive regulations should be amended to provide for the use of polyisobutylene (average molecular weight 35,000–140,000 (Flory)) as a thickening agent in mineral oil lubricants used with incidental contact with food. Therefore, pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(c)(1), 72 Stat. 1786; 21 U.S.C. 348(c)(1)) and under the authority delegated to the Commissioner by the Secretary of Health, Education, and Welfare (21 CFR 2.120), § 121.2553(a)(3) is amended by alphabetically inserting in the list of substances a new item, as follows:

§ 121.2553 Lubricants with incidental food contact.

* * * * * * *

(a) * * *

(3) * * *

Substances	*Limitations*
* * *	* * *
Polyisobutylene (average molecular weight 35,000–140,000 (Flory)).	For use only as a thickening agent in mineral oil lubricants.
* * *	* * *

Any person who will be adversely affected by the foregoing order may at any time within 30 days from the date of its publication in the FEDERAL REGISTER file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington, D.C. 20201, written objections thereto, preferably in quintuplicate. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof.

Effective date. This order shall become effective on the date of its publication in the FEDERAL REGISTER.

(Sec. 409(c)(1), 72 Stat. 1786; 21 U.S.C. 348(c)(1))

Dated: August 18, 1967.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 67-10112; Filed, Aug. 28, 1967; 8:47 a.m.]

SUBCHAPTER D—HAZARDOUS SUBSTANCES

PART 191—HAZARDOUS SUBSTANCES: DEFINITIONS AND PROCEDURAL AND INTERPRETATIVE REGULATIONS

Fuel for Miniature Engines; Exemption From Classification as Banned Hazardous Substance

The Commissioner of Food and Drugs has received a request, submitted pursuant to section 2(q)(1)(B)(i) of the Federal Hazardous Substances Act and § 191.62(c) of the regulations thereunder, to exempt the article described below from classification as a "banned hazardous substance," as defined by section 2(q)(1)(A) of the act, because the article's functional purpose requires inclusion of a hazardous substance, it bears labeling giving adequate directions and warnings for safe use, and it is intended for use by children who have attained sufficient maturity, and may reasonably be expected, to read and heed such directions and warnings.

The Commissioner has determined on the basis of the facts submitted, and other relevant information, that the requested exemption is consistent with the purpose of the act. Therefore, pursuant to the provisions of the act (sec. 2(q)(1)(B)(i), 74 Stat. 374, 80 Stat. 1304; 15 U.S.C. 1261) and under the authority delegated to the Commissioner by the Secretary of Health, Education, and Welfare (21 CFR 2.120), § 191.65(a) (32 F.R. 11322) is amended by adding thereto a new subparagraph, as follows:

§ 191.65 Exemptions from classification as a banned hazardous substance.

(a) • • •

(5) Liquid fuels containing more than 4 percent by weight of methyl alcohol that are intended and used for operation of miniature engines for model airplanes, boats, cars, etc.

Notice and public procedure and delayed effective date are unnecessary prerequisites to the promulgation of this order, and I so find, since the Federal Hazardous Substances Act contemplates such exemptions under certain conditions.

Effective date. This order shall be effective upon publication in the FEDERAL REGISTER.

(Sec. 2(q)(1)(B)(i), 74 Stat. 374, 80 Stat. 1304; 15 U.S.C. 1261)

Dated: August 17, 1967.

WINTON B. RANKIN,
Deputy Commissioner of Food and Drugs.

[F.R. Doc. 67-10117; Filed, Aug. 28, 1967; 8:48 a.m.]

SUBCHAPTER C—DRUGS

PART 148i—NEOMYCIN SULFATE

Antibiotic Otic Suspension

Under the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (sec. 507, 59 Stat. 463, as amended; 21 U.S.C. 357), and delegated by him to the Commissioner of Food and Drugs (21 CFR 2.120), § 148i.18 *Neomycin sulfate-polymyxin B sulfate-hydrocortisone otic suspension; neomycin sulfate-polymyxin B sulfate-hydrocortisone-sodium heparin otic suspension* is amended as follows to raise the upper limit of antibiotic content acceptable:

1. In paragraph (b)(1)(i), the portion of the last sentence reading "than 125 percent" is changed to read "than 130 percent".

2. In paragraph (b)(1)(ii), the portion of the last sentence reading "than 125 percent" is changed to read "than 130 percent".

This order merely changes the range of antibiotic content acceptable for the subject drug without affecting its safety or efficacy and raises no points of controversy; therefore, notice and public procedure and delayed effective date are not prerequisites to this promulgation.

Effective date. This order shall be effective upon publication in the FEDERAL REGISTER.

(Sec. 507, 59 Stat. 463, as amended; 21 U.S.C. 357)

Dated: August 21, 1967.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 67-10111; Filed, Aug. 28, 1967; 8:47 a.m.]

Title 24—HOUSING AND HOUSING CREDIT

Chapter II—Federal Housing Administration, Department of Housing and Urban Development

SUBCHAPTER A—GENERAL

PART 200—INTRODUCTION

Regional Administrators, Authority Delegations

In Part 200 in the Table of Contents a new § 200.109 is added as follows:

Sec.
200.109 HUD Regional Administrators (except Regional Administrator, Region VII) and Assistant Regional Administrators for FHA.

In Part 200 a new § 200.109 is added to read as follows:

§ 200.109 HUD Regional Administrators (except Regional Administrator, Region VII) and Assistant Regional Administrators for FHA.

To the position of Regional Administrator, and to each of them, except the Regional Administrator, Region VII, and to the position of Assistant Regional Administrator for FHA, and to each of them under the general supervision of the appropriate Regional Administrator there is assigned authority as follows:

(a) To allocate, modify or cancel below-market interest rate funds to eligible section 221(d)(3) projects.

(b) To approve or disapprove the eligibility of nonprofit sponsors and nonprofit mortgagors.

The Regional Administrator, Region III, will exercise the authority assigned under this paragraph for the Puerto Rico jurisdiction.

(Sec. 2, 48 Stat. 1246, as amended; sec. 211, 52 Stat. 23, as amended; sec. 607, 55 Stat. 61, as amended; sec. 712, 62 Stat. 1281, as amended; sec. 907, 66 Stat. 301, as amended; sec. 807, 69 Stat. 651, as amended; 12 U.S.C. 1703, 1715b, 1742, 1747k, 1748f; Department Interim Order II, 31 F.R. 815, June 21, 1966)

Issued at Washington, D.C., August 22, 1967.

[SEAL] PHILIP N. BROWNSTEIN,
Federal Housing Commissioner.

[F.R. Doc. 67-10103; Filed, Aug. 28, 1967; 8:47 a.m.]

Title 32—NATIONAL DEFENSE

Chapter VII—Department of the Air Force

SUBCHAPTER W—AIR FORCE PROCUREMENT INSTRUCTIONS

MISCELLANEOUS AMENDMENTS TO SUBCHAPTER

Subchapter W of Chapter VII of Title 32 of the Code of Federal Regulations is amended as follows:

PART 1001—GENERAL PROVISIONS

Subpart C—General Policies

1. Section 1001.312–50 is revised to read as follows:

§ 1001.312–50 General.

(a) The director of procurement of the major command (for AFSC, the DCS/Procurement and Production), or higher authority, will determine the amount of and obtain any refund to be affirmatively sought by the Air Force. In such case, where an AFLC or AFSC procurement is involved, recommendations based on appropriate preliminary review, including coordination with the appropriate office, staff judge advocate, will be forwarded for necessary action to the director of procurement (or DCS/Procurement and Production) through AFLC (MCPPP) or AFSC (SCKPF), as appropriate.

(b) If the director of procurement (or DCS/Procurement and Production) determines, on the basis of such recommendation, that a refund based on extra-contractual consideration is to be sought, he will:

(1) If the refund action being initiated results from in-house investigation forward to the Secretary of the Air Force through Hq USAF (AFSPPDA) for review and approval a detailed statement which will include the following information:

(i) The facts and factors of the case.

(ii) Reason for seeking a price adjustment.

(iii) The proposed action to be taken.

(2) Upon receipt of approval from the Secretary of the Air Force to proceed with proposed action, prepare a letter to the president or principal officer of the contractor which:

(i) Advises the contractor that he is acting in behalf of the Secretary of the Air Force to whom the results of his actions will be forwarded.

(ii) States the results of his review of the matter.

(iii) Advises that the Air Force considers it important that an equitable adjustment be made promptly.

(iv) Requests the contractor to refund the determined amount or make the necessary adjustment voluntarily.

(v) If desired, invites the contractor's president or appropriate principal officer to discuss personally the payment of the refund to the Government.

(3) If the refund action has been recommended by the GAO, forward to the Secretary of the Air Force through Hq USAF (AFSPPCB) for review and approval a proposed response to the GAO which will contain the information required by subparagraph (1) of this paragraph.

(4) Upon notification of approval of the proposed response to the GAO by the Secretary of the Air Force, prepare a letter to the president or principal officer of the contractor which will contain the information required by subparagraph (2) of this paragraph.

(c) The director of procurement (or DCS/Procurement and Production) will exhaust every available means to obtain the refund or adjustment. If unable to secure the adjustment, he will report his actions to the commander of the major command and recommend what further action should be taken. The commander will then exhaust every available means and, if necessary, forward the matter to Hq USAF (AFSPPDA) or (AFSPPCB) as appropriate, with recommendations for further action.

(d) Regarding refunds involving responses to GAO reports, a determination may be made to seek or accept a refund less than that recommended by GAO. If so, such a decision must be fully documented by the director of procurement (or DCS/Procurement and Production) and have the concurrence of the commander of the major command. If the Command concurs in the recommendation but fails to obtain a refund because of the contractor's refusal, the response should state the basis for the refusal and whether or not the Command agrees with it.

(e) Attention is directed to the need for thorough analysis and justification of our position in any case in which a GAO recommendation to seek an adjustment is not complied with since our position will be contained in a final report addressed to the Congress. If a GAO recommendation to seek a refund is rejected, the response to GAO will adequately state the facts and arguments supporting the Command's position and the response should also indicate that legal recourse was considered and the results of such consideration.

PART 1002—PROCUREMENT BY FORMAL ADVERTISING

Subpart D—Opening of Bids and Award of Contract

2. Section 1002.408–1 is amended by revising paragraph (b) to read as follows:

§ 1002.408–1 Unclassified awards.

* * * * *

(b) In case, when an inquiry is made, the letter is addressed to an unsuccessful bidder who is lower in price than the successful bidder due to rejection of the lower bid on the basis of a negative pre-award survey (facility capability report), the last paragraph will read as follows:

> The interest shown by your firm in submitting a bid is appreciated; however, we were unable to make the required determination that your company is "responsible" within the meaning of that term as defined in paragraph 1–902 of the Armed Services Procurement Regulation. The information upon which our decision was based was contained in a Preaward Survey which was issued by ---------- (here insert name and address of the activity which issued the PAS). We have asked that organization to provide you with further details as to their findings if you call upon them for such details.

The PCO should submit a copy of the above letter to the appropriate PAS activity and request that details of the PAS be disclosed to the unsuccessful bidder upon request.

* * * * *

PART 1004—SPECIAL TYPES AND METHODS OF PROCUREMENT

3. In § 1004.302–50, paragraph (b) is corrected; and in § 1004.5002–3, paragraph (a) is corrected to read as follows:

Subpart C—Contracts for Preparation of Household Goods for Shipment, Government Storage and Related Services

§ 1004.302–50 BDO procedure.

* * * * *

(b) Calls against the BDOs may be issued by:

(1) An individual located in the base procurement office; or

(2) An individual designated in the BDO by title located outside the base procurement office: *Provided*, That if there is a contracting officer in the transportation office, he will be the individual so designated.

(i) Individuals authorized to place calls, when in receipt of Special Orders authorizing movement of household goods and citing funds, will assume that funds have been committed for the packing and crating requirement incident to the movement of the individual named in the Special Orders.

(ii) The person placing oral calls will establish a control record at the beginning of each month indicating the call number, name of individual for whom services are to be performed, date of placement of call, Special Order Number, voucher number, date payment was made, amount and accumulated expenditures. In no event will the sequence of call numbers be interrupted. The accumulated expenditure will be brought forward to the control record for the next month. At the end of each month the amount column should be totaled for reporting purposes.

(iii) [Reserved]

(iv) Prior to contacting the contractor to place a call, the individual authorized to place calls will be furnished a copy of the Special Order indicating the individual for whom services are to be ordered and a form letter in duplicate indicating date and place of pickup, estimated weight of household goods, special markings, destination, and any other information required incident to the services to be performed. On receipt of the above information, he will contact the contractor, establish a firm pickup date, and issue a call number from control records. This information will then be placed on a duplicate copy of the form letter and returned to the transportation officer who will use this information when preparing the Standard Form 1034. In addition, the transportation officer will keep the contracting officer informed of contractor performance on a daily basis to assure contractor compliance.

(v) Wherever possible, calls should be placed in the month in which services

are to be performed. Services should be scheduled no more than 48 hours in advance if call is placed during the last 2 days of a month.

* * * * *

Subpart XX—Nonappropriated Fund Contracts

§ 1004.5002–3 Construction or architect engineering contracts funded completely with nonappropriated funds.

(a) *General.* Two important policies have been considered in establishing this portion of this subchapter:

(1) Generally keeping the normal procurement system intact, and

(2) Still giving nonappropriated fund instrumentalities maximum flexibility.

(i) The policies and procedures in Subchapter A, Chapter I of this title and this subchapter should be followed unless cogent reasons justify noncompliance. Justification will be reduced to writing, signed by the chief of the appropriate functional activity, approved by the base commander, and at least one copy furnished to the contracting officer prior to beginning any procurement action.

(ii) Notwithstanding subdivision (i) of this subparagraph, except for work financed entirely by voluntary contributions or donations made to nonappropriated funds specificially to accomplish such work, all construction contracts in excess of $2,000 financed in whole or in part by nonappropriated funds, will contain construction labor standards clauses consistent with the requirements of Subpart G, Part 18 of this title. Deviations from this requirement will be obtained and furnished by the requesting activity according to AFR 176–1.

* * * * *

PART 1005—INTERDEPARTMENTAL AND COORDINATED PROCUREMENT

4. Subpart A is revised; and new Subparts B and C are added as follows:

Subpart A—Procurement Under Federal Supply Schedule Contracts

Sec.

1005.100 Applicability.
1005.102 Mandatory Federal Supply Schedules.
1005.102–2 Exceptions to mandatory use.
1005.102–3 Applicability of listed Federal Supply Schedules.
1005.102–4 Establishment or revision of Federal Supply Schedules mandatory upon the Department of Defense.
1005.103 Federal Supply Schedules not mandatory upon the Department of Defense.
1005.103–50 Procedures.
1005.104–50 Procedures.
1005.106 Federal Supply Schedules with multiple source provisions.
1005.108 Administration of orders under Federal Supply Schedule contracts.
1005.150 Oversea requirements.

AUTHORITY: The provisions of this Subpart A issued under sec. 8012, 70A Stat. 488, secs. 2301–2314, 70A Stat. 127–133; 10 U.S.C. 8012, 2301–2314.

Subpart A—Procurement Under Federal Supply Schedule Contracts

§ 1005.100 Applicability.

Notwithstanding the provisions of § 5.100 of this title, this subpart applies to Alaska, Hawaii, Puerto Rico, and U.S. possessions to the extent specified herein.

§ 1005.102 Mandatory Federal Supply Schedules.

§ 1005.102–2 Exceptions to mandatory use.

(a) *Delivery requirements.* The determination not to use the Schedule because the delivery period offered does not meet the delivery requirements of the purchasing activity will be exercised by the chief of the office responsible for procurement or his designated representative. But in no instance will the person making this determination be the same individual who signs the contract for the supplies or services involved. The determination will clearly set forth the circumstances of the emergency and specific reasons why the time element makes it necessary to purchase from a source other than the Schedule.

§ 1005.102–3 Applicability of listed Federal Supply Schedules.

Purchasing offices will secure requirements from Federal Supply Schedule (FSS) Contractors as prescribed in the schedule except activities in Alaska, Hawaii, Puerto Rico, and the U.S. possessions may secure their requirements from local FSS sources when such sources are available.

(a) through (c) No implementation.

(d) *Furniture, office machines and supplies.* (1) Except for mattresses and bedding (FSC 7210) and prison and blindmade products otherwise mandatory in the United States (including Alaska and Hawaii), it is mandatory in the United States, its possessions, and Puerto Rico that all requirements for household and quarters furniture and equipment listed in Table of Allowance (T/A) 414 and some items in T/A 006 be obtained from GSA sources. This requirement applies to items procured within the provisions of the Federal Supply Schedule; however, it does not apply to items on Schedules when the amount is less than the minimum requirements of the schedule, and listed in the GSA Stores stock catalog but amounts to $25 or less.

(2) Consistent with the intent of the National Buy Program (see § 5.301 of this title), in the United States, its possessions, and Puerto Rico, requirements for household and quarters furniture and equipment which exceed the maximum order limitations of a Schedule will be submitted to the GSA regional office servicing the requiring activity according to §§ 5.303 of this title and 1005.303. Requirements for other than Schedule items will be obtained in the same way.

(3) Requirements for furniture, office machines, and supplies (see §§ 5.1201–7 of this title and 1005.301) subject to the provisions of the Federal Supply Service Consolidated Purchase Program will be procured according to §§ 5.303 of this title and 1005.303.

(e) *Hand tools, paints, selected household appliances, and other items.* Major items of household appliances, hand tools, paints, etc. will be procured according to § 1005.301 and the provisions of Subpart C, Part 5 of this title.

§ 1005.102–4 Establishment or revision of Federal Supply Schedules mandatory upon the Department of Defense.

(a) No implementation.

(b) *Procedures.* Requests for establishing or changing a Federal Supply Schedule mandatory upon elements of the Department of Defense may be initiated by any of the following:

(1) Commanders or their representatives of Hq AFSC, Hq AFLC, of AFLC's item management AMAs, APRE, and APRFE; of AFSC's divisions and centers; and AFSC's and AFLC's other subordinate activities.

(i) Requests initiated within Hq AFSC or by any of its activities will be routed through channels to AFSC (SCKP). SCKP will review the request, accept or reject it, and if accepted will submit it to AFLC (MCPAC) for further processing.

(ii) Requests initiated within Hq AFLC or by any of its activities will be routed through channels to AFLC (MCPAC).

(2) Commanders or their representatives of subordinate activities of major commands or of the major commands themselves other than AFSC or AFLC. Commanders or their representatives of the Air Force Accounting and Finance Center (AFAFC) or of the Office of Aerospace Research (OAR). Each of these requests will be processed either through channels to its parent major command or organization or by that command or organization through its internal channels for review, approval, or rejection, and if approved submission to AFLC (MCPAC).

(3) Requests will contain complete item identification (nomenclature), including FSN if available, item use, and full justification for the action recommended.

(4) After coordination with Hq AFLC and if deemed necessary with the item management AMA, the request if concurred in will be forwarded by MCPAC to the Defense Supply Agency, Executive Director, Procurement and Production. Otherwise, the request will be returned to its submitter.

§ 1005.103 Federal Supply Schedules not mandatory upon the Department of Defense.

In Alaska, Hawaii, Puerto Rico, or in the U.S. possessions when local Federal Supply Schedule sources are not available, items on nonmandatory schedules may be procured locally provided it is not in conflict with the requirements of Subchapter A, Chapter I of this title. Handling, packing, and transportation cost should be considered in determining whether to buy from local sources or whether to submit the order to the Federal Supply Schedule Contractor.

§ 1005.103–50 Procedures.

Requests for establishing or changing a Federal Supply Schedule not mandatory upon the Department of Defense will be processed according to the procedures of § 1005.102–4(b). Each request will designate that it applies to a nonmandatory Schedule.

§ 1005.104–50 Procedures.

Requests for establishing or changing a completely optional or regional Federal Supply Schedule will be processed according to the procedures of § 1005.102–4(b). Each request will designate whether it applies to a completely optional Schedule or regional Schedule. If the request relates to a regional Schedule, the applicable GSA regional area must be identified in the request.

§ 1005.106 Federal Supply Schedules with multiple source provisions.

(a) The justification statement required by § 5.106 of this title will be manually approved by one of the following, or his designated representative, at the installation originating the purchase request.

(1) Director of supply and transportation in AFLC air materiel areas.

(2) DCS/Materiel or equivalent in AFSC divisions and centers.

(3) Director of materiel in activities of other major commands.

(4) Comparable level of authority in other AF activities. Such approval will constitute full authority to the procuring activity for placing the order. The justification statement will be attached to the purchase request and will be included in the contract file as documentation to justify the order. No formal determination or finding need be filed with either GSA or the AFAFC (SAA).

(b) Where the price of comparable items of two or more contractors is identical, orders will be rotated to the extent practicable to avoid charges of preferential treatment.

§ 1005.108 Administration of orders under Federal Supply Schedule contracts.

(a) (1) If inspection assistance is desired by the ordering office from the GSA, the regional office nearest to the location where the inspection is to be performed will be notified of desire for this service.

(2) No implementation.

(b) No implementation.

§ 1005.150 Oversea requirements.

Local Purchase requirements initiated outside the U.S., its possessions and Puerto Rico will be procured as follows:

(a) FSS type items will be referred to the Base Procurement Office in accordance with section A, Chapter 8, Part One, Volume I, AFM 67–1, for procurement action within the framework of the International Balance of Payments Program, which includes BUSH contracts.

(b) Items subject to the National Buy Program, with the exception of household and quarters furniture (excluding appliances) will be submitted by supply officer to base procurement for procurement action within the framework of the International Balance of Payments Program, which includes BUSH contracts.

Subpart B—Procurement of Supplies From General Services Administration Stores Depots and of Services for Repair and Refinishing From General Services Administration Sources

Sec.
1005.204 Order for supplies.
1005.207 Additional services.
1005.208 Order for services.

AUTHORITY: The provisions of this Subpart B issued under sec. 3012, 70A Stat. 488, secs. 2301–2314, 70A Stat. 127–133; 10 U.S.C. 3012, 2301–2314.

Subpart B—Procurement of Supplies From General Services Administration Stores Depots and of Services for Repair and Refinishing From General Services Administration Sources

§ 1005.204 Order for supplies.

Base procurement offices will not issue orders to GSA stores depots. Since requisitioning from GSA stores depots is the responsibility of the base supply activity or service store activity, the base procurement office will not consider the GSA stores depots as a source for procurement of items cited on purchase requests. When a purchase request is received from base supply, it must be assumed that the items listed are either:

(a) Not listed in GSA stores stock catalogs.

(b) Listed but not currently available.

(c) Listed but the GSA stores depots cannot meet delivery requirements.

(d) Listed in GSA stores stock catalog but the quantity is large and is more economical to order from Federal Supply Schedule.

§ 1005.207 Additional services.

Air Force utilization of the optional contracts for maintenance, repair, and rehabilitation entered into by General Services Administration regional offices normally will be limited to household, quarters, office, and similar type items of equipment. GSA regional contracts should not be utilized by AF activities for services involving safety of flight, mission support, items which might involve personal safety, or items of equipment that will be reverted to AF stocks except when the Air Force is assured that the contractor is responsible, that work requirements included in the contract are specific and adequate, and that quality of product is insured.

§ 1005.208 Order for services.

(a) *GSA repair facility.* Maintenance will forward the request for purchase of repair or refinishing services to procurement, and the appropriate base procurement office will issue the DD Form 1155 or AFPI Form 93 series, as appropriate.

(b) No implementation.

Subpart C—Procurement Through Federal Supply Service Consolidated Purchasing Programs

Sec.
1005.301 Federal Supply Service Consolidated Purchase Program.
1005.303 Order for supplies or service.

AUTHORITY: The provisions of this Subpart C issued under sec. 3012, 70A Stat. 488, secs. 2301–2314, 70A Stat. 127–133; 10 U.S.C. 3012, 2301–2314.

Subpart C—Procurement Through Federal Supply Service Consolidated Purchasing Programs

§ 1005.301 Federal Supply Service Consolidated Purchase Program.

(a) Although the procurement responsibility for household washers and dryers (FSC 3510), refrigerators (FSC 4110) and ranges (FSC 7310) is assigned to the Defense Supply Agency (see § 5.1201–6 of this title) an agreement exists between this Agency and the GSA that GSA will procure selected items for the military departments.

(b) The procedures in paragraph (a) of this section also apply to procurement of hand tools (FSG 51 and FSC 5210), paints (FSG 80), and other DSA managed items which by agreement are reassigned for management and procurement by the GSA.

(c) Procedures for purchase of furniture, office machines, and supplies subject to the provisions of the Federal Supply Services Consolidated Purchase Program are in § 5.102 of this title and § 1005.102–3(d). Also see § 1005.150 concerning oversea requirements.

§ 1005.303 Order for supplies or service.

(a) *Supplies.* (1) Requirements for items which the Federal Supply Catalog and supplements thereto indicates the GSA as the source of supply under the National Buy Program will be processed direct to the GSA regional office by the supply activity.

(2) Requisitions received in the purchasing office for Federal Supply Schedule items which exceed the maximum order limitations of the schedule will be processed to the appropriate GSA regional office for purchase action. When the requisition is not in MILSTRIP format, it will be returned to the supply activity for conversion to such a form. Where the DD Form 1348–1 is used, it will be prominently stamped "Requisition" on all copies before processing to GSA and the supply activity notified of the action taken.

(b) *Service.* Purchasing offices will submit a DD Form 1155, AFPI Form 93 series, or letter as appropriate to the GSA regional office of the region in which the office is located when requesting purchase action according to this part, except when GSA contracts are available then the DD Form 1155 or AFPI Form 93 series, as appropriate, will be submitted to the contractor.

Subpart F—Procurement of Printing and Related Supplies (July 7, 1961)

5. In § 1005.650–1, paragraph (c) is amended by revising subparagraphs (1) and (3) to read as follows:

§ 1005.650–1 Procurement of printed matter and paper for printing.

* * * * *

(c) Mandatory Government Printing Office (GPO) contracts: (1) GPO Term

Contracts contained in the current GPO Form 1047, Term Contract for Tabulating Cards, and GPO Form 1056, Term Contract for Aperture (Tabulating) Cards, are mandatory for use within the Air Force. All tabulating cards are items of printing. Procurement of commercial stock cards is not authorized. General Purpose cards are the "stock cards" of the Air Force and will be requisitioned through publications distribution channels according to AFM 5-4 (Distribution of Air Force Publications and Forms). All command or local tabulating cards are chargeable to Contract Field Printing (438) funds.

* * * * *

(3) Term Contracts are distributed by the Publishing Division, Directorate of Administrative Services, Hq USAF, to major command headquarters. Subordinate activities will submit requirements for copies of GPO Term Contracts to their major air command headquarters. Requests will not be submitted to GPO. Direct liaison with that office is not authorized.

PART 1007—CONTRACT CLAUSES

Subpart D—Clauses for Cost-Reimbursement Type Research and Development Contracts

§ 1007.403–53 [Deleted]

6. Section 1007.403–53 *Limitation of Government's obligation* is deleted; Subparts PP and VV are deleted; and new Subpart HHH is added as follows:

Subpart PP—Clauses for Contracts Issued by Foreign Procurement Activities

§ 1007.4200 [Deleted]

Subpart VV—Clauses and Schedule Provisions for Flight Instruction of AFROTC Personnel at Civilian Colleges and Universities

§§ 1007.4800–1007.4806 [Deleted]

Subpart HHH—Clauses and Special Provisions for Certain Contracts Not Listed in Subchapter A, Chapter I of This Title or Other Subparts of This Part

Sec.

1007.6000 Scope of subpart.
1007.6001 General.
1007.6001–1 Clauses for contracts issued by foreign procurement activities.
1007.6001–2 Clauses and schedule provisions covering flight instruction of AFROTC personnel at civilian colleges and universities.

AUTHORITY: The provisions of this Subpart HHH issued under sec. 8012, 70A Stat. 488, secs. 2301–2314, 70A Stat. 127–133; 10 U.S.C. 8012, 2301–2314.

Subpart HHH—Clauses and Special Provisions for Certain Contracts Not Listed in Subchapter A, Chapter I of This Title or Other Subparts of This Part

§ 1007.6000 Scope of subpart.

This subpart sets forth instructions covering clauses and special provisions for certain contracts which have been determined to be inappropriate for inclusion in Subchapter A, Chapter I, Part 7 of this title or other subparts of this part.

§ 1007.6001 General.

This subpart will be used only to cover situations set forth in § 1007.6000, and will be considered the AFPI base against which involved activities may issue AFPI Supplements.

§ 1007.6001–1 Clauses for contracts issued by foreign procurement activities.

The clauses and instructions in Subchapter A, Chapter I of this title and this subchapter for supplies, services, and construction contracts should be used where applicable in contracts issued by foreign procurement activities. In addition, to cope with any special procurement problems peculiar to their geographical area, oversea activities are authorized to issue their own necessary implementing instructions and clauses for their respective procurement programs.

§ 1007.6001–2 Clauses and schedule provisions covering flight instruction of AFROTC personnel at civilian colleges and universities.

The clauses and schedule provisions covering flight instruction of AFROTC personnel at civilian colleges and universities will be issued only by Air University, Maxwell AFB, Ala.

PART 1008—TERMINATION OF CONTRACTS

Subpart B—General Principles Applicable to the Settlement of Fixed-Price Type Contracts Terminated for Convenience and to the Settlement of All Terminated Cost-Reimbursement Type Contracts

§ 1008.202–50 [Amended]

7. In § 1008.202–50, the introduction to paragraph (g) is amended by adding the words "or TWX facilities, if available" between the words "Telegram" and "* * * Request" in the third and fourth lines.

(Sec. 8012, 70A Stat. 488, secs. 2301–2314, 70A Stat. 127–133; 10 U.S.C. 8012, 2301–2314)
[AFPI Rev. No. 79, June 30, 1967; AF Procurement Circular No. 13, July 5, 1967]

By order of the Secretary of the Air Force.

LUCIAN M. FERGUSON,
Colonel, U.S. Air Force, Chief, Special Activities Group, Office of The Judge Advocate General.

[F.R. Doc. 67–10080; Filed, Aug. 28, 1967; 8:45 a.m.]

Title 33—NAVIGATION AND NAVIGABLE WATERS

Chapter II—Corps of Engineers, Department of the Army

PART 207—NAVIGATION REGULATIONS

St. Marys Falls Canal and Locks, Mich.

Pursuant to the provisions of section 7 of the River and Harbor Act of August 8, 1917 (40 Stat. 266; 33 U.S.C. 1), § 207.440 governing the use, administration, and navigation of St. Marys Falls Canal and Locks, Mich., is hereby amended with respect to paragraph (w) effective upon completion of construction of the New Poe Lock, as follows:

§ 207.440 St. Marys Falls Canal and Locks, Mich.; use, administration, and navigation.

* * * * *

(w) The maximum overall dimensions of vessels that will be permitted to transit the New Poe Lock without special restrictions are 100 feet in width, including fendering, and 1,000 feet in length, including steering poles or other projections. Vessels having overall widths of over 100 feet and not over 105 feet including fendering, and overall lengths of not more than 1,000 feet, including projections, will be permitted to transit the New Poe Lock at such times as determined by the District Engineer or his authorized representative that they will not unduly delay the transit of vessels of lesser dimensions, or endanger the lock structure because of wind, ice, or other adverse conditions. These vessels also will be subject to such special handling requirements as may be found necessary by the Area Engineer at time of transit.

* * * * *

[Regs., Aug. 16, 1967, 1507–32 (St. Marys Falls Canal and Locks, Mich.)-ENGCW–ON] (Sec. 7, 40 Stat. 226; 33 U.S.C.)

KENNETH G. WICKHAM,
Major General, U.S. Army, The Adjutant General.

[F.R. Doc. 67–10083; Filed, Aug. 28, 1967; 8:45 a.m.]

Title 46—SHIPPING

Chapter I—Coast Guard, Department of Transportation

SUBCHAPTER H—PASSENGER VESSELS

[CGFR 67–51]

PART 80—DISCLOSURE OF SAFETY STANDARDS

Interpretive Rulings Regarding Advertising

1. The disclosure regulations were published in the FEDERAL REGISTER on April 25, 1967, and effective on and after May 6, 1967, and implemented Public

Law 89-777 which amended in part, Title 46, United States Code, section 362. Many inquiries have been received from the advertising industry relative to the proper method of incorporating safety information in advertising material. Because of the number of these inquiries and since many of the questions were identical, an informal meeting was held in Washington on June 15, 1967, to discuss these problems and to describe the proper application of the regulations. This meeting resulted in a better appreciation, on the part of all concerned, with these mutual problems, both technical and regulatory, which face both industry and Coast Guard. It is desired by all concerned to comply with the intent of Congress as set forth in this new law that the advertising information will "* * * notify each prospective passenger of the safety standards with which the vessel complies or does not comply."

2. The purpose of this document is to describe in general terms the interpretive rulings given with respect to the rules and regulations in this part as they apply to advertising information.

3. By virtue of the authority vested in me as Commandant, U.S. Coast Guard, by section 632 of Title 14, United States Code, and Department of Transportation Order 1100.1 delegating authority to prescribe rules and regulations under laws transferred by subsection 6(b)(1) of the Department of Transportation Act, the following interpretive rulings designated § 80.15-1 are prescribed and effective on and after publication in the FEDERAL REGISTER.

4. Part 80 is amended by inserting after § 80.10-20 a new Subpart 80.15, consisting of § 80.15-1, reading as follows:

Subpart 80.15—Interpretive Rulings

§ 80.15-1 Advertising information.

(a) Because of the number of inquiries and since many of the questions were identical, the interpretive rulings in this section are published for the guidance of all concerned.

(b) From the point of view of contents, when is it necessary to incorporate into an advertisement the safety information required by this part? (Ruling) The safety information statement is required in an advertisement when either one of two conditions are described; i.e., (1) a vessel is named, or (2) a voyage is described.

(c) What is meant by the word "voyage" as used in this part? (Ruling) As used in this part, "voyage" (route) consists of three conditions which must be stated and are (1) port or area of departure; (2) port or area of destination; and (3) a schedule.

(d) What is meant by the word "schedule" as used in § 80.10-20(e)? (Ruling) A "schedule" is the posted and published day(s) of departure and/or arrival. A description of a limited time interval during which a voyage will commence, i.e., such as "departing 10:30 a.m., September 7," "departing every Monday," "departing first Tuesday of every month," etc., are deemed to come within the meaning of term "schedule." The phrases "weekly sailings," "sailing twice weekly," "September Sailing," "Summer Cruise", etc., are not deemed to come within the meaning of the term "schedule."

(e) Are there any exceptions to the description in § 80.10-5(a) which states that "All promotional literature or advertising in or over any medium of communication * * * shall include * * *" safety information? (Ruling) Because of the nature of the display, the exception allowed concerns advertising signs towed or displayed by aircraft (including skywriting by aircraft). This ruling is based on the premise of practicability, and it is believed that Congress did not intend to prohibit this type of advertising.

(f) Does § 80.10-20(c)(1) relate to billboard type advertisements, especially since it specifies a minimum type size of printing of 6 points? (Ruling) This regulation does relate to billboard type advertising and shall be followed. Attention is directed to the wording which states "* * * the safety information statement shall be at least the same size type as the body of the text * * *."

(g) Because of the precise language in § 80.10-20(e), how much latitude is given with respect to the placement and cross references about safety information statements in brochures, pamphlets, schedules, etc.? (Ruling) The first two sentences of § 80.10-20(e) contain the basic requirements of this regulation, and strict compliance is necessary in order to effectively advise prospective passengers of the safety standards of the named vessels. The balance of § 80.10-20(e) is explanatory and suggestive in nature. By using an example the last sentence of this regulation suggests how these basic requirements may be met. It must be kept in mind that this regulation must be read and complied with in the context of the regulation as a whole.

(h) Are advertisements in trade publications required to comply with the disclosure requirements in this part? (Ruling) Trade publications are deemed to be those directed to a specific group of people or organizations and are not intended or used for general distribution to the public. In those instances where advertisements are not used or intended to be distributed to the general public for solicitation of passage on vessels, the advertisements are not deemed to be subject to the requirements in this part.

(i) Does the descriptive phrase "* * * all promotion literature or advertising in or over any medium of communication within the United States * * *" in subsection 362(b) of Title 46, United States Code, include literature (such as magazines, newspapers, periodicals, etc.) and advertising produced in a foreign country and introduced into the United States, and would such materials be subject to the regulations in this part? (Ruling) Any literature (such as magazines, newspapers, periodicals, etc.) and advertising introduced into the United States of America for the purpose of offering passage or soliciting passengers for ocean voyages must comply with the requirements in this part. Advertisements in foreign magazines, newspapers, periodicals, etc., produced outside the United States and having a limited distribution in the United States need not comply with the requirements in this part: *Provided, however*, That American editions of such media and travel advertisements extracted from such media for distribution in the United States must comply with the requirements in this part.

(R.S. 4400, as amended; 46 U.S.C. 362, Department of Transportation Order 1100.1, dated Mar. 31, 1967; 49 CFR 1.4(a)(2), 32 F.R. 5606)

Dated: August 24, 1967.

W. J. SMITH,
Admiral, U.S. Coast Guard,
Commandant.

[F.R. Doc. 67-10120; Filed, Aug. 28, 1967; 8:48 a.m.]

Proposed Rule Making

DEPARTMENT OF THE TREASURY

Bureau of Customs

[19 CFR Part 8]

ENTRY OF IMPORTED MERCHANDISE

Powers of Attorney

An individual who is not a regular importer may at present execute a power of attorney authorizing a relative to act as his agent in filing a customs entry covering a single noncommercial shipment.

The Bureau proposes an extension of the practice to allow an individual by power of attorney to appoint an unrelated individual as his unpaid agent in order to enter the merchandise constituting a single noncommercial shipment. Many individuals at inland ports have reported annoyance and incommensurate expense in having to arrange the customs clearance of effects landed at a customs port distant from their homes when a friend or associate is available to effect expeditious action.

Therefore, the Bureau of Customs, under the authority of section 485, Tariff Act of 1930, as amended (19 U.S.C. 1485), and section 251 of the Revised Statutes (19 U.S.C. 66), proposes to amend § 8.19 (j) of the Customs Regulations by substituting the words "another individual" for the words "a relative" and by inserting the word "unpaid" before the word "agent" where it appears. The amended section, in tentative form, is as follows:

Section 8.19(j) is amended to read as follows:

§ 8.19 Powers of attorney.

* * * * *

(j) An individual (but not a partnership, association, or corporation) who is not a regular importer may appoint another individual as his unpaid agent for customs purposes by executing a power of attorney applicable to a single noncommercial shipment by writing, printing, or stamping, and subscribing on the invoice, or on a separate paper attached thereto, the following statement:

Name

of ---

Address

is hereby authorized to execute, as an unpaid agent who has knowledge of the facts, pursuant to the provisions of section 485(f), Tariff Act of 1930, as amended, the consignee's and owner's declarations provided for in section 485 (a) and (d), Tariff Act of 1930, and to enter on my behalf or for my account the goods described in the attached invoice which contains a true and complete statement of the facts concerning this shipment.

Date ---------- 19----

Signature of Importer ---

Address ---

* * * * *

Prior to the issuance of the proposed amendments, consideration will be given to any relevant data, views, or arguments which are submitted in writing to the Commissioner of Customs, Bureau of Customs, Washington, D.C. 20226, and received not later than 30 days from the date of publication of this notice in the FEDERAL REGISTER. No hearings will be held.

[SEAL] EDWIN F. RAINS,
Acting Commissioner of Customs.

Approved: August 22, 1967.

MATTHEW J. MARKS,
Acting Assistant Secretary of the Treasury.

[F.R. Doc. 67-10122; Filed, Aug. 28, 1967; 8:48 a.m.]

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[50 CFR Part 80]

GAME BIRDS, FISH, AND MAMMALS

Restoration

Notice is hereby given that pursuant to the authority vested in the Secretary of the Interior by section 10 of the Federal Aid in Wildlife Restoration Act, as amended (50 Stat. 917; 16 U.S.C. 669i) and by section 10 of the Federal Aid in Fish Restoration Act, as amended (64 Stat. 430; 16 U.S.C. 777i), it is proposed to revise Part 80, Title 50, Code of Federal Regulations, as set forth below. The proposed changes will improve administrative procedures and revise the policy relative to use of Federal funds for unapproved activities.

1. Section 80.1 will be altered to revise the definition of "Project" so that it may encompass any or all of the activities approvable under the Federal Aid Acts. Also, the definition of "Research" will be changed to include two levels of Research: "Research" and "Surveys and inventories." A definition of "Project substantiality" is added.

2. Section 80.4 will be revised by substituting "project agreement" for "program agreement," as the document signed by the Secretary to obligate funds.

3. Section 80.5 will be revised to describe, set the penalty for, and establish means of correcting diversions of Federal Aid funds as well as license revenues. The penalty for misuse of Federal Aid funds or real property acquired with Federal Aid funds will be ineligibility for further projects. Real properties disposed of by the State without concurrence by the Secretary that they are no longer of value to fish and wildlife will need to be replaced in kind before the State can become eligible again for participation in the Federal Aid program.

4. Section 80.7 is revised by removing the word "fiscal" from between "preceding" and "year."

5. Section 80.12 will be revised to describe the content and purpose of a financial plan. "Plans, specifications and estimates" will be recoded § 80.13.

6. Section 80.13 will be revised to cover plans, specifications and estimates. Coverage is expanded to specify when these documents are to be submitted. Schedules of supervisory and technical personnel and major items of equipment are added.

7. Section 80.14 will be retitled "Project agreement." The section will be changed to remove the choice between writing an agreement for one segment of a project or for an annual financial plan. An agreement will be written for each financial plan because a financial plan is now written for each project segment.

8. Section 80.27, "Credits for sale or nonproject use of property," will be removed from the regulations and replaced by a section entitled "Production of income." This new section will provide that Federal Aid funds shall not be spent for the purpose of producing income, and will list the types of income to be avoided.

9. Section 80.30 will be revised under paragraph (a) to remove the words "program or" so that it will read: "Federal Aid payments shall not exceed 75 percent of the cost of a project * * *".

10. Section 80.32 will be revised to provide that cost records shall be maintained separately for each project, and that in projects containing multiple activities, costs for research, acquisition, development, and coordination, shall be segregated.

11. Section 80.33 will be revised to provide that the retention of documents shall be only for 3 years after final payment for reimbursement on the project.

12. Section 80.35, "Water pollution control," is added to require that pollution of water be avoided in the operation of Federal Aid projects.

13. Section 80.36, "Purchase of equipment," is added to provide that advance approval by the Secretary is required for purchase of items of equipment costing in excess of $500. This is not a new policy, but has not previously been carried in the regulations.

14. Section 80.37, "Patents," has been added to protect the Federal Government's interest in discoveries and inventions which are developed through the expenditure of Federal Aid funds.

15. Section 80.38, "Fish and wildlife planning," has been added. It urges long-range planning with Federal Aid funds as a guide to further program expenditures.

It is the policy of the Department of the Interior whenever practicable to afford the public an opportunity to participate in the rule-making process. Accordingly, interested persons may submit written comments, suggestions, or objections to the Director, Bureau of Sport Fisheries and Wildlife, Washington, D.C. 20240, within 30 days of the publication of this notice in the FEDERAL REGISTER.

JOHN S. GOTTSCHALK,
Director, Bureau of Sport Fisheries and Wildlife.

AUGUST 23, 1967.

Sec.

80.1 Definitions.
80.2 Apportionment and certification.
80.3 Notice of desire to participate.
80.4 Period of availability of funds.
80.5 Diversion of funds.
80.6 General information for the Secretary.
80.7 Hunting and fishing license information.
80.8 Activities prohibited.
80.9 Uses other than for fish and wildlife.
80.10 Minimum Federal participation.
80.11 Project statement.
80.12 Financial plan.
80.13 Plans, specifications and estimates.
80.14 Project agreement.
80.15 Officials not to benefit.
80.16 Equal employment opportunity.
80.17 Submission of documents.
80.18 Divergent opinions over project merits.
80.19 Land control.
80.20 Samples of materials to be submitted.
80.21 Contracts.
80.22 Safety and accident prevention.
80.23 Statements and payrolls.
80.24 Prosecution of work.
80.25 Personnel.
80.26 Maintenance of completed projects.
80.27 Production of income.
80.28 Inspection.
80.29 Civil rights.
80.30 Federal Aid payments.
80.31 Form of vouchers.
80.32 Records and reporting.
80.33 Records retention period.
80.34 Convict labor.
80.35 Water pollution control.
80.36 Purchase of equipment.
80.37 Patents.
80.38 Fish and wildlife planning.

AUTHORITY: The provisions of this Part 80 issued under sec. 10, 50 Stat. 917, as amended, sec. 10, 64 Stat. 430, as amended; 16 U.S.C. 669i, 777i.

§ 80.1 Definitions.

As used in this part, terms shall have the meanings ascribed in this section.

(a) *Federal Aid Act(s).* (1) The Act of Congress, approved September 2, 1937, entitled "An Act to provide that the United States shall aid the States in wildlife restoration projects, and for other purposes" (50 Stat. 917, as amended; 16 U.S.C., sec. 669–669i), commonly referred to as the Pittman-Robertson Act; and (2) the Act of Congress, approved August 9, 1950, entitled "An Act to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes" (64 Stat. 430, as amended; 16 U.S.C., sec. 777–777k), commonly referred to as the Dingell-Johnson Act.

(b) *State.* Any State of the United States, the territorial areas of Guam and the Virgin Islands, and the Commonwealth of Puerto Rico.

(c) *State Fish and Game Department.* Any department or division, or commission, or official of a State empowered under its laws to exercise the functions ordinarily exercised by a State Fish and Game Department, the Secretary of Agriculture of Puerto Rico, or the Governor of Guam or the Virgin Islands.

(d) *Fish and wildlife.* (1) The term "fish" is limited to aquatic, gill breathing, vertebrate animals bearing paired fins; and (2) the term "wildlife" is limited to wild birds and wild mammals.

(e) *Project.* A sound and substantial undertaking with the general objective of restoring or managing fish and wildlife populations now and for the future and for the preservation and improvement of sport fishing, hunting, and related uses of these resources.

(f) *Project substantiality.* A substantial project is one which will provide benefits to hunters and fishermen commensurate with cost, and which is designed in accordance with accepted fish and wildlife conservation and management practices and sound engineering principles.

(g) *Project segment.* An essential part or division of a project, usually separated as a period of time, occasionally as a unit of work.

(h) *Land acquisition.* The acquisition of lands, waters, or interests therein, by purchase, condemnation, lease or gift.

(i) *Development.* Improving areas of land or water through the construction of works and facilities, improvement of soil and water conditions, establishing or controlling vegetation and animal populations and including operation and protection of the areas.

(j) *Research and surveys.* Investigations into problems of fish and wildlife management necessary for the efficient administration of these resources, including:

(1) *Research.* Studies designed to supply new information about fish and wildlife, their environment, or the development of new methods for management of these resources.

(2) *Surveys and inventories.* Routine collection of data on the abundance and utilization of fish and wildlife, or the condition of their environment, through the application of established methodology.

(k) *Management.* For purposes of the limitation on management of wildlife areas and resources, the term includes measures and facilities for the harvest and control of wild birds and mammals.

(l) *Maintenance.* Repair and upkeep of capital improvements acquired or constructed under the Federal Aid Acts. A capital improvement is any successfully established improvement having an expected useful life in excess of 5 years. For the purpose of qualifying for maintenance, a project is completed when the lands have been acquired, or capital improvements have been finished.

(m) *Coordination.* The selection, planning, direction, supervision, and coordination of projects within a State's Federal Aid program, including the coordination of this program with other related activities of the fish and game department.

§ 80.2 Apportionment and certification.

The Secretary shall apportion funds in the manner prescribed in the Acts, as soon as possible after receiving notification of the amounts which have become available for the purposes of the Acts. He shall promptly certify to the Secretary of the Treasury and to each State Fish and Game Department, the respective sums which he has deducted for administering and executing the Acts and the respective sums which he has apportioned to each State for the ensuing fiscal year.

§ 80.3 Notice of desire to participate.

Any State Fish and Game Department desiring to avail itself of the benefits of the Acts, shall notify the Secretary within 60 days after it has received from him a certificate of apportionment of funds available to the State.

§ 80.4 Period of availability of funds.

Funds are available to a State for expenditure or obligation during the fiscal year for which they are apportioned and until the close of the succeeding fiscal year. For the purpose of this section, obligation of apportioned funds occurs when a project agreement or amendment thereto is signed by the Secretary or his authorized representative.

§ 80.5 Diversion of funds.

(a) Conditions to participation in the benefits of these Acts are that a State's hunting and fishing license revenues must be used only for administration of its Fish and Game Department and Federal Aid funds granted under the Acts must be used for the purposes of approved projects. A diversion of license fees occurs when a State Fish and Game Department, through legislative action, or otherwise, loses control of the expenditure of any portion of its hunting license or sport fishing license revenues, or expends such revenues for any purpose other than the administration of the State Fish and Game Department. A diversion of Federal Aid funds occurs whenever they are applied by a State to activities or purposes which are not a part of an approved project, or when real property acquired or constructed with Federal Aid funds under these Acts passes from the control of the State Fish and Game Department or is used for unapproved purposes in a manner or to an extent which interferes with the accomplishment of project purposes as they were approved by the Secretary, or as they may be amended with the approval of the Secretary.

(b) When a diversion of funds occurs, a State thereby becomes ineligible to receive Federal Aid funds under the pertinent Act from the date the diversion occurs until (1) action is taken to return the administration of hunting and sport fishing license fees to the State Fish and Game Department; (2) hunting and sport fishing license fees used for purposes other than the programs of the State Fish and Game Department are replaced; (3) Federal Aid funds used for

purposes or activities which are not a part of an approved project are replaced; (4) Federal-Aid financed real property which has passed from the control of the State Fish and Game Department is restored to that control, or a property of equal value at current market prices and with commensurate benefits to fish and wildlife is acquired with non-Federal funds to replace it; or (5) uses of Federal-Aid financed real property, which interfere with the accomplishment of approved project objectives are ceased: *Provided, however*, That, where any projects were approved in compliance with the terms of the pertinent Act prior to diversion, and Federal Aid funds were obligated to carry out such projects, such funds shall remain available therefore until expended, without regard for the intervening period of the State's ineligibility under the Federal Aid Acts: *Provided, further*, That, when the State shall find, and the Secretary agree, that a property is no longer useful for the purposes for which it was acquired or constructed, and that it is not practical to convert the property to other fish or wildlife restoration, development, or management purposes, the State may sell the property and apply the proceeds of sale as the State Fish and Game Department and the Secretary may then agree: *Provided, further*, That, when required by this section to acquire a property with non-Federal funds, a State shall be given a reasonable time, up to 3 years, to accomplish this, before becoming ineligible to receive Federal Aid funds.

§ 80.6 General information for the Secretary.

Before any Federal funds may be obligated for any project to be undertaken in a State, there shall be furnished to the Secretary upon his request, information regarding the laws affecting fish or wildlife conservation and the authority of the State Fish and Game Department and of local officials with respect to the establishment and maintenance of projects; and the existing provisions of the State constitution or laws relating to revenues for the protection, restoration and management of fish or wildlife.

(a) *Document signature.* The Secretary of State of each State or any authorized official of the State shall certify as to the duly appointed official(s) authorized in accordance with State law to commit the State to participation under the provisions of the Acts and to sign Federal Aid project documents. The Secretary shall be advised promptly of any change made in such authorizations to sign Federal Aid documents.

(b) *Program information.* The Secretary may, from time to time, request and the State Fish and Game Department shall furnish information relating to the administration and maintenance of any project established under the Acts.

(c) *Planning-Programing-Budgeting System.* To promote the most efficient use of the financial resources of the Federal Government, Federal funds are budgeted according to a Planning-Programing-Budgeting System. In order that Federal funds for financing projects under the Federal Aid Acts may be budgeted under this system, States must furnish such plans and programs as the Secretary may require for this purpose.

§ 80.7 Hunting and fishing license information.

(a) Information concerning the number of paid hunting-license holders and the number of persons holding paid licenses to fish for sport or recreation in the State in the preceding year shall be furnished the Secretary by the Fish and Game Department of each State on or before December 15 of each year in form specified by the Secretary.

(b) This information shall be certified as accurate by the Director of the State Fish and Game Department. He shall furnish, when requested by the Secretary, evidence used in determining accuracy of the certification.

§ 80.8 Activities prohibited.

Neither law enforcement nor public relation activities which are not incidental to custodial functions on an approved Federal Aid project may be financed under the programs.

§ 80.9 Uses other than for fish and wildlife.

With respect to projects which are designed to include uses other than for fish or wildlife, reimbursement of costs from funds under the Federal Aid Acts shall be limited to the extent of the benefits to fish and wildlife resulting from such projects. Participation in maintenance of completed projects shall be similarly limited. Also, the costs of maintenance shall be appropriately shared according to the use of the area and facilities; Federal Aid funds shall not be applied to maintenance required by use other than for approved project purposes.

§ 80.10 Minimum Federal participation.

A minimum Federal Aid participation of 10 percent in the cost of each project is required as a condition of approval.

§ 80.11 Project statement.

A project statement shall be submitted for each proposed project which shall contain such fundamental information as the Secretary may require, in order that he may determine if a project meets the requirement of being substantial in character and design in accordance with standards set forth in the Federal Aid in Fish and Wildlife Restoration Manual.

§ 80.12 Financial plan.

A budget or spending plan listing estimated expenditures by activities (land acquisition, development, research, management, maintenance, and coordination) as related to the elements of Planning, Programing, and Budgeting shall be submitted for each project in a State covering the work to be performed over a specified period.

§ 80.13 Plans, specifications and estimates.

The annual financial plan shall be accompanied by supporting documents listing and describing the work to be performed with the funds listed therein. These shall be as follows: (a) Engineering plans, specifications, and estimates shall be submitted for major construction activities. (b) Plans in job description form shall be submitted for each logical and effective unit of research activity. (c) Work plans, listing the development activities to be carried out under the financial plan shall be submitted. (d) Schedules of supervisory and technical personnel to be employed and major items of equipment to be purchased shall be provided.

§ 80.14 Project agreement.

After the Secretary shall have approved project statements and the required plans, specifications and estimates, the mutual obligations to be undertaken by the cooperating agencies shall be evidenced by an agreement to be executed between the State Fish and Game Department and the Secretary. An agreement shall cover the financing proposed in one financial plan and the work items described in the documents supporting it.

§ 80.15 Officials not to benefit.

No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or any part of any agreement, made under the Federal Aid Acts, or to any benefit that may arise therefrom.

§ 80.16 Equal employment opportunity.

Each project agreement shall contain the equal employment opportunity provisions of Part III of Executive Order 11246 (30 F.R. 12319) and as it may be amended.

§ 80.17 Submission of documents.

Papers and documents required by the Acts or by the regulations in this part shall be deemed submitted to the Secretary from the date of receipt by the Director of the Bureau of Sport Fisheries and Wildlife, or by the appropriate Regional Director of the Bureau.

§ 80.18 Divergent opinions over project merits.

Any difference of opinion about the substantiality of a proposed project, nature of development required, or appraised value of land to be acquired, are considered by qualified representatives of the Bureau of Sport Fisheries and Wildlife and the State. Final determination in the event of continued disagreement rests with the Secretary.

§ 80.19 Land control.

The State Fish and Game Department must control lands or waters on which improvements are made. Control may be exercised through fee title, lease, easement, or agreement. Control must be adequate for protection, maintenance, and use of the improvement throughout its useful life.

§ 80.20 Samples of materials to be submitted.

Whenever requested, suitable samples of materials to be used in construction

work shall be submitted to the Secretary by or on behalf of the State Fish and Game Department to be tested for suitability and conformity with standard specifications.

§ 80.21 Contracts.

Contracts shall be solicited and awarded according to the laws and regulations of the State except when contradictory to Federal law or regulation in which case the Federal law or regulation shall prevail.

§ 80.22 Safety and accident prevention.

In the performance of each project, the State shall comply with all applicable Federal, State and local laws governing safety, health and sanitation. The State shall be responsible that all safeguards, safety devices, and protective equipment are provided and will take any other needed actions reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of the work.

§ 80.23 Statements and payrolls.

The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR Part 3), made pursuant to the Copeland Act, as amended, (40 U.S.C. 276c), and to aid in the enforcement of the Anti-Kickback Act (18 U.S.C. 874) are made a part of this regulation by reference. The State Fish and Game Department will comply with these regulations and any amendments or modifications thereof and the State Prime Contractor will be responsible for the submission of statements required of subcontractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitation, variations, tolerances, and exemptions.

§ 80.24 Prosecution of work.

(a) The State Fish and Game Department shall carry all approved projects through to satisfactory completion with reasonable promptness. Projects with activities extending over a period of years may be financed from a number of succeeding apportionments as appropriate to the schedule.

(b) Research work shall be continuously coordinated with other studies conducted by the State and other agencies in order to avoid unnecessary duplication.

(c) All work shall be performed in accordance with applicable State laws.

(d) Appropriate and adequate means shall be employed to insure economy and efficiency in the completion of the project.

§ 80.25 Personnel.

The State Fish and Game Department shall employ adequate and competent personnel to initiate and carry Federal Aid projects through to satisfactory completion.

§ 80.26 Maintenance of completed projects.

The State Fish and Game Department shall exercise all reasonable means to insure permanent and proper management and maintenance of each completed acquistion or development of lands or waters.

§ 80.27 Production of income.

Federal Aid funds shall not be spent for the purpose of producing income; e.g.,

(a) Producing agricultural crops in excess of those required for attracting, conserving, and enhancing wildlife populations.

(b) In connection with the acquisition of lands, paying for readily marketable timber or the salvage value of structures which are excess to project purposes when the State can secure immediate reimbursement through removal and sale.

(c) Purchasing transportation, construction, or farming equipment not needed for its full life on activities which are approvable for Federal Aid assistance.

(d) Conducting public hunting and fishing activities where user fees substantially pay for these costs.

Federal Aid funds used for such purposes shall be replaced as required under § 80.5, "Diversion of funds."

§ 80.28 Inspection.

Supervision of each project by the State Fish and Game Department shall include adequate and continuous inspection. The project will be subject at all times to Federal inspection.

§ 80.29 Civil rights.

Approval of each agreement shall be conditioned upon the acceptance by the United States of an Assurance executed in writing by the properly authorized representative of the contracting State, agency, or political division of the contracting State, supported by proper certification, guaranteeing that the program will be conducted in accordance with Title VI of the Civil Rights Act of 1964 and with the rules and regulations promulgated thereunder by the Secretary and published as 43 CFR Part 17 (filed Dec. 3, 1964) to that end.

§ 80.30 Federal Aid payments.

Payments under the Federal Aid Acts, including such preliminary costs and expenses as may be incurred in and about such projects, shall not be made unless the project statement, such plans, specifications and estimates as are required by the Secretary, and all other documents that may be necessary or required in the administration of these acts, shall have first been submitted to and approved by the Secretary. Payments shall be made only by way of reimbursement for expenditures by the State Fish and Game Departments. Payments shall be made only to the State office or official designated by the State Fish and Game Department and authorized under the laws of the State to receive public funds of the State.

(a) Federal Aid payments shall not exceed 75 percent of the cost of a project or the amount specified in the agreement, whichever is less: *Provided*, That Federal Aid payments to the territorial areas of Guam, the Virgin Islands and the Commonwealth of Puerto Rico shall not exceed the amount specified in the agreement and in no event shall they be required to pay an amount which will exceed 25 percent of the cost of any project.

(b) Federal Aid payments on projects terminated prior to completion shall be limited to the cost of benefits produced, provided the work accomplished is substantial in character and design.

(c) Payments for acquired real property shall not exceed 75 percent of the fair and reasonable value of the property as approved by the Secretary.

(d) Overhead and preliminary costs which are clearly tied to an approved project may be reimbursed provided the claims are supported by accurate records.

§ 80.31 Form of vouchers.

Vouchers on forms provided by the Secretary and certified as therein prescribed, showing amounts expended and the amount of Federal Aid funds claimed to be due on account thereof, shall be submitted to the Secretary by the State Fish and Game Department.

§ 80.32 Records and reporting.

Reports shall be furnished as requested by the Secretary. Cost records shall be maintained separately for each project. In projects containing multiple activities, costs for research, acquisition, development, and coordination shall be segregated. The accounts and records maintained by the State, together with all supporting documents, shall be open at all times to the inspection of authorized representatives of the United States, and copies thereof shall be furnished when requested.

§ 80.33 Records retention period.

The records, accounts and supporting documents required to be maintained under the regulations in this part for each project shall be retained by the State Fish and Game Department until the expiration of 3 years after final payment of reimbursement to the State on the project.

§ 80.34 Convict labor.

The State shall not employ any persons undergoing sentence of imprisonment at hard labor to perform work on projects approved under the Federal Aid Acts.

§ 80.35 Water pollution control.

In the performance of each project, the State shall take necessary action to avoid pollution of water as a direct or indirect result of project activity. Water quality must be maintained at a level consistent with State water quality standards approved by the Secretary.

§ 80.36 Purchase of equipment.

Advance approval by the Secretary is required for the purchase with Federal Aid participation of items of equipment costing in excess of $500.

§ 80.37 Patents.

Every project agreement and subcontract, having as a purpose the conduct of experimental or research work, shall contain a patent article conforming to the President's Statement of Government Patent Policy, issued October 10, 1963, 28 F.R. 10943.

§ 80.38 Fish and wildlife planning.

It is desirable that the expenditure of funds made available under the Federal Aid Acts be guided by long-range fish and wildlife plans. Therefore, undertakings of statewide planning for fish and wildlife are of the highest priority for Federal Aid Financing.

[F.R. Doc. 67-10093; Filed, Aug. 28, 1967; 8:46 a.m.]

DEPARTMENT OF AGRICULTURE

Consumer and Marketing Service

[7 CFR Part 31]

WOOL STANDARDS

Notice of Proposed Rule Making

Notice is hereby given, in accordance with the administrative procedure provisions of 5 U.S.C. 553, that pursuant to authority conferred by the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621, et seq.), it is proposed to amend the wool top standards and other provisions in 7 CFR Part 31, to revise the fiber diameter dispersion requirements of grade 62s wool top, to add provisions for designating grades for wool top which do not meet established grade requirements, to include the methods for determining the grade of wool top, and to redefine certain terms used in the standards for wool and wool top.

Statement of considerations. The official standards for grades of wool top provide for 14 grades—80s through 36s—based on average fiber diameter and fiber diameter dispersion. These standards became effective January 1, 1955. For the most part they have been satisfactory for commercial trading.

However, a study by industry and the Department revealed that many of the tops traded as 62s exceed the coarse fiber percentage allowed for this grade. To bring the standards more in line with current combing and trading practices, it is proposed that the fiber diameter dispersion requirements for grade 62s be revised to permit 1.50 percent of the fibers to be 40.1 microns and over in diameter rather than the 1 percent as allowed in the present standards.

In the application of the present standards some wool tops cannot be graded. This results from the fact that the specifications for each of the present grades include requirements for both average fiber diameter and fiber diameter dispersion but do not provide grades for wool top which does not meet both requirements. Thus, for example, wool top with an average fiber diameter meeting the requirements for the 64s grade cannot be graded by the present standards if it has a fiber diameter dispersion which does not meet the dispersion requirements specified in the standards for a 64s grade. Under the proposed revision, such wool top would be assigned a dual grade designation, 64s–62s—the 64s designating the average fiber diameter of the wool top and the 62s (the next coarser grade) indicating that the fiber diameter dispersion of the wool top does not meet the requirements of the 64s grade. This procedure for designating grade has been used in the trade for some time.

Also, under the present standards, wool top with an average fiber diameter finer than that specified for the finest grade (80s), or coarser than that specified for the coarsest grade (36s) cannot be assigned a grade. The proposed revision would provide two additional grades to be designated as Finer than grade 80s and Coarser than grade 36s. These additional grades will permit all wool top to be assigned a grade irrespective of its average fiber diameter. Two corresponding grades also were added to the standards for grades of wool when these were revised on January 1, 1966.

It is also proposed to incorporate the methods for determining the grade of wool top into the Code of Federal Regulations, and to make incidental changes in definitions of certain terms used in the wool and wool top standards. In the past, the determination of grade of wool top was made in accordance with procedures prescribed by the Administrator of the Consumer and Marketing Service in a separate publication, "Methods of Test for Grade of Wool Top." Some minor changes have been made in these methods in order to coordinate them with the methods prescribed for determining grade of wool.

A. It is proposed to delete the provisions for official standards of the United States for grades of wool top (7 CFR 31.101–31.114) and substitute the following:

OFFICIAL STANDARDS OF THE UNITED STATES FOR GRADES OF WOOL TOP

§ 31.100 Official grades.

The official grades of wool top shall be those established in §§ 31.101 through 31.116: *Provided, however,* That wool top which qualifies for any of the grades in §§ 31.101 through 31.116 on the basis of its average fiber diameter but fails to meet the fiber diameter dispersion requirements for that grade shall be assigned a dual grade designation. In such case, the first designation shall indicate the grade based on the average fiber diameter and the second designation shall be that of the next coarser grade and shall indicate merely that the fiber diameter dispersion does not meet the requirements specified for the grade corresponding to the average fiber diameter.

§ 31.101 Finer than grade 80s.

Wool top with an average fiber diameter of 18.09 microns or less and a fiber diameter dispersion that meets the following requirements:

25 microns and under—not less than 95 percent.
25.1 microns and over—not more than 5 percent.
30.1 microns and over—not more than 1 percent.

§ 31.102 Grade 80s.

Wool top with an average fiber diameter of 18.10 to 19.59 microns, inclusive, and a fiber diameter dispersion that meets the following requirements:

25 microns and under—not less than 91 percent.
25.1 microns and over—not more than 9 percent.
30.1 microns and over—not more than 1 percent.

§ 31.103 Grade 70s.

Wool top with an average fiber diameter of 19.60 to 21.09 microns, inclusive, and a fiber diameter dispersion that meets the following requirements:

25 microns and under—not less than 83 percent.
25.1 microns and over—not more than 17 percent.
30.1 microns and over—not more than 3 percent.

§ 31.104 Grade 64s.

Wool top with an average fiber diameter of 21.10 to 22.59 microns, inclusive, and a fiber diameter dispersion that meets the following requirements:

30 microns and under—not less than 92 percent.
30.1 microns and over—not more than 8 percent.
40.1 microns and over—not more than 1 percent.

§ 31.105 Grade 62s.

Wool top with an average fiber diameter of 22.60 to 24.09 microns, inclusive, and a fiber diameter dispersion that meets the following requirements:

30 microns and under—not less than 86 percent.
30.1 microns and over—not more than 14 percent.
40.1 microns and over—not more than 1.50 percent.

§ 31.106 Grade 60s.

Wool top with an average fiber diameter of 24.10 to 25.59 microns, inclusive, and a fiber diameter dispersion that meets the following requirements:

30 microns and under—not less than 80 percent.
30.1 microns and over—not more than 20 percent.
40.1 microns and over—not more than 2 percent.

§ 31.107 Grade 58s.

Wool top with an average fiber diameter of 25.60 to 27.09 microns, inclusive, and a fiber diameter dispersion that meets the following requirements:

30 microns and under—not less than 72 percent.

30.1 microns and over—not more than 20 percent.
50.1 microns and over—not more than 1 percent.

§ 31.108 Grade 56s.

Wool top with an average fiber diameter of 27.10 to 28.59 microns, inclusive, and a fiber diameter dispersion that meets the following requirements:

30 microns and under—not less than 62 percent.
30.1 microns and over—not more than 38 percent.
50.1 microns and over—not more than 1 percent.

§ 31.109 Grade 54s.

Wool top with an average fiber diameter of 28.60 to 30.09 microns, inclusive, and a fiber diameter dispersion that meets the following requirements:

30 microns and under—not less than 54 percent.
30.1 microns and over—not more than 46 percent.
50.1 microns and over—not more than 2 percent.

§ 31.110 Grade 50s.

Wool top with an average fiber diameter of 30.10 to 31.79 microns, inclusive, and a fiber diameter dispersion that meets the following requirements:

30 microns and under—not less than 44 percent.
30.1 microns and over—not more than 56 percent.
50.1 microns and over—not more than 2 percent.

§ 31.111 Grade 48s.

Wool top with an average fiber diameter of 31.80 to 33.49 microns, inclusive, and a fiber diameter dispersion that meets the following requirements:

40 microns and under—not less than 75 percent.
40.1 microns and over—not more than 26 percent.
60.1 microns and over—not more than 1 percent.

§ 31.112 Grade 46s.

Wool top with an average fiber diameter of 33.50 to 35.19 microns, inclusive, and a fiber diameter dispersion that meets the following requirements:

40 microns and under—not less than 68 percent.
40.1 microns and over—not more than 32 percent.
60.1 microns and over—not more than 1 percent.

§ 31.113 Grade 44s.

Wool top with an average fiber diameter of 35.20 to 37.09 microns, inclusive, and a fiber diameter dispersion that meets the following requirements:

40 microns and under—not less than 62 percent.
40.1 microns and over—not more than 38 percent.
60.1 microns and over—not more than 2 percent.

§ 31.114 Grade 40s.

Wool top with an average fiber diameter of 37.10 to 38.99 microns, inclusive, and a fiber diameter dispersion that meets the following requirements:

40 microns and under—not less than 54 percent.
40.1 microns and over—not more than 46 percent.
60.1 microns and over—not more than 3 percent.

§ 31.115 Grade 36s.

Wool top with an average fiber diameter of 39.00 to 41.29 microns, inclusive, and a fiber diameter dispersion that meets the following requirements:

40 microns and under—not less than 44 percent.
40.1 microns and over—not more than 56 percent.
60.1 microns and over—not more than 4 percent.

§ 31.116 Coarser than grade 36s.

Wool top with an average fiber diameter of 41.30 microns or over.

B. It is proposed to revise definitions of certain terms in 7 CFR 31.201, paragraphs (f), (s), (t), (u), and (v) to read as follows:

§ 31.201 Terms defined.

* * * * *

(f) *Grade.* (1) With respect to wool, this term means a numerical designation of wool fineness based on average fiber diameter and variation of fiber diameter. It does not include characteristics such as length, crimp, strength, elasticity, luster, hand, and color—all of which affect the spinnability of wool and the properties of the yarn and fabric and which are usually referred to as "quality." Neither does it apply to wool by geographic origin, breed of sheep, manner of preparation for market, or a combination of characteristics which makes wool appropriate for a specific use. These characteristics are usually referred to as "type."

(2) With respect to wool top, this term means a numerical designation of wool top fineness based on average fiber diameter and fiber diameter dispersion. It does not include characteristics such as length, crimp, strength, elasticity, luster, hand, and color—all of which affect the spinnability of wool and the properties of the yarn and fabric. These characteristics are usually referred to as "quality."

* * * * *

(s) *Lot.* (1) With respect to wool, this term means the entire quantity of wool or card sliver constituting the subject of consideration or test.

(2) With respect to wool top, this term means the entire quantity of wool top constituting the subject of consideration or test.

(t) *Sample.* (1) With respect to wool, this term means a suitable amount of wool representing a lot, obtained as described in § 31.204(a)(5).

(2) With respect to wool top, this term means four slivers of top obtained as described in § 31.301(a)(4).

(u) *Test specimen.* (1) With respect to wool, this term means a representative portion of the sample obtained and prepared as described in § 31.204(a)(6).

(2) With respect to wool top, this term means a sliver of wool top, at least 1 yard (0.91 meter) long, obtained as described in § 31.301(a)(4).

(v) *Test.* (1) With respect to wool, this term means a determination by measurement of the average fiber diameter and the standard deviation of a sample of wool, in accordance with the procedures provided in § 31.204.

(2) With respect to wool top, this term means a determination by measurement of the average fiber diameter and the fiber diameter dispersion of a sample of wool top, in accordance with procedures provided in § 31.301.

* * * * *

C. It is proposed to delete the provisions relating to the determination of grade of wool top (7 CFR 31.300) and to issue Methods for Determining Grade of Wool Top to appear in §§ 31.300, 31.301, and 31.302 as follows:

METHODS FOR DETERMINING GRADE OF WOOL TOP

§ 31.300 General.

The official standards of the United States for grades of wool top as defined in §§ 31.100–31.116 shall be the basis for determining the grade of wool top. The provisions in §§ 31.301–31.302 prescribe two methods for making such determinations—by measurement and by inspection. Both methods for determining grade shall be official; however, if the grade as determined by inspection differs from that determined by measurement, the grade determined by measurement shall prevail.

§ 31.301 Measurement method.

The determination of the grade of wool top by measurement shall be by comparison of the measured average fiber diameter and fiber diameter dispersion with the specifications of the U.S. standards. This determination shall be made in accordance with the procedure for determining average fiber diameter and fiber diameter dispersion provided in paragraph (a) of this section and the procedure for designating grade provided in paragraph (b) of this section.

(a) *Procedure for determining average fiber diameter and fiber diameter dispersion*—(1) *Principle of procedure.* The average fiber diameter and fiber diameter dispersion are determined by sectioning the fibers in a sample to a designated short length, mounting the sections of fibers on a slide, projecting the magnified image onto a scale, and measuring the diameter of a minimum number of fibers, as specified in this section.

(2) *Apparatus and material.* The following apparatus and material are needed and shall comply with the following provisions:

(i) *Microprojector.* The microscope shall be equipped with a fixed body tube, a focusable stage responsive to a coarse and fine adjustment, and a focusable substage with condenser and iris diaphragm. It shall be vertically installed with adequate light source, eyepiece, and

objective to give a precise magnification of 500 × as determined by use of a stage micrometer. A magnification of 500 × can be obtained when the microscope is adjusted at a proper projection distance and equipped with a searchlight microprojector bulb, a 10–15 × eyepiece, and a 20–21 × objective of good quality with an aperture of approximately 0.50 centimeter.

(ii) *Stage micrometer.* Calibrated glass slide used for accurate setting and control of the magnification.

(iii) *Cross-sectioning device, heavy duty.* An instrument approximately 5 cm. (2 inches) in height, consisting essentially of a metal plate with slot for holding a quantity of fibers, a key for compressing the fibers, and a tongue-propelling arrangement by which the fiber bundle may be extruded for sectioning.

(iv) *Microscope slides.* 25 × 75 mm. (1″ × 3″).

(v) *Cover glasses.* No. 1 thickness, 22 x 50 mm. (⅞″ x 2″).

(vi) *Mounting medium.* Colorless mineral oil with a refractive index between 1.53 and 1.43 and of suitable viscosity.

(vii) *Wedge scales.* Strips of heavy paper or Bristol board imprinted with a wedge for use at a magnification of 500 × 0. The wedge is usually divided into 2.5 micron intervals.

(3) *Calibration.* The microscope shall be adjusted to give a magnification of 500 × in the plane of the projected image. This may be accomplished by placing a stage micrometer on the stage of the microprojector and bringing the microscope into such adjustment that an interval of 0.20 mm. on the stage micrometer will measure 100 mm. when sharply focused in the center of the image plane.

(4) *Sampling.* Sample the lot of top by drawing from each 20,000 pounds (9,072 kilograms), or fraction thereof, four sections of sliver (test specimen) each of which shall be at least 1 yard (0.91 meter) in length and taken from different balls of top selected at random. Take one ball only from any one bale or carton. For broken top take an equivalent aggregate length of sliver at random. The four test specimens shall constitute a sample.

(5) *Test condition.* Precondition all samples to approximate equilibrium in an atmosphere of 5–25 percent relative humidity at a temperature less than 50° C. (122° F.). Then condition them for at least 4 hours in the standard atmosphere for testing—65±2 percent relative humidity at 21°±1.1° C. (70°±2° F.).

(6) *Preparation of slides*—(i) *Filling cross-section device.* Each sliver (test specimen) of top making up the sample shall be placed individually in the slot of the cross-section device far enough from either end of the sliver to assure sectioning at an undisturbed area. The sliver shall be compacted firmly with the compression key and the latter secured with the set screw.

(ii) *Preliminary section.* The gripped fibers shall be cut off at the upper and lower surfaces of the plate. The fiber bundle shall be extruded to the extent of approximately 0.50 mm. in order to take up slack in the fibers and the propulsion mechanism. The projecting fibers shall be moistened with a few drops of mineral oil. This projecting fiber bundle shall be cut off with a razor blade flush with the upper surface of the fiber holder plate and the section discarded.

(iii) *Final section.* The fiber bundle shall again be extruded, approximately 0.25 mm., the equivalent of 250 microns. The fiber bundle shall be moistened with a few drops of mineral oil and the excess blotted off. The projecting fibers shall be cut off with a sharp razor blade flush with the holder plate. The fiber pieces should adhere to the razor blade.

(iv) *Mounting the fibers.* A few drops of mineral oil shall be placed on a clean glass slide. With a dissecting needle the fiber pieces shall be scraped from the razor blade onto the slide. The fibers shall be thoroughly dispersed in the oil with the dissecting needle and the slide completed with a cover glass. Sufficient oil should be used in the preparation of the slide to insure thorough distribution of the fibers, but an excess must be avoided, as practically no oil should be permitted to flow out or be squeezed out beyond the borders of the cover glass. If the number of fibers is too great to permit proper distribution on the slide, or if an excess of oil has been used, a portion of the mixture, after thorough dispersion of the fibers, may be wiped away with a piece of tissue or cloth.

(v) *Finished slide.* The slide shall be placed on the stage of the microprojector, cover glass toward the objective. The measurement courses shall be planned across the slide so that the far, near, and intermediate areas will be reached. Slides shall be measured the day they are prepared.

(7) *Measurement of fibers.* The mid-length portion of the fiber to be measured shall be brought into sharp focus on the wedge scale. Fiber edges appear as fine lines without borders when they are uniformly in focus. It is unusual, however, for both edges of the fiber to be in focus at the same time. If both edges of the fiber are not uniformly in focus, adjustment shall be made so that one edge of the fiber is in focus and the other shows as a bright line. The measurements of 100 fibers are recorded on one wedge by marking on the wedge scale the point where the wedge corresponds with the fiber image as determined by (i) the fine lines of both edges when they are uniformly in focus or (ii) the fine line of one edge and the inner side of the bright line at the other edge when they are not uniformly in focus. The slide shall be traversed and successive fibers measured in the planned courses, with only those fibers being measured whose midpoints come within the field—a circle 4 inches in diameter, centrally located in the projected area. Fibers shorter than 200 microns or longer than 300 microns and those having distorted images shall be excluded from measurement. The marks on the wedge indicating the diameter of fibers measured are counted and combined into class intervals for calculation as indicated in subparagraph (10) of this paragraph. Occasionally a fiber diameter will be less or greater than the extreme limits of the wedge scale. When this occurs, the image of the fiber is projected onto the border of the wedge scale and lines are drawn on the scale at the edges of the fiber image. The distance between the lines is later measured with a metric ruler to obtain the correct average diameter of the fiber. In using the metric scale in this manner, 1 mm. is equal to 2 microns at a magnification of 500 ×.

(8) *Nature of test.* One test shall consist of the measurement by two operators of the same four slivers (test specimens) of top. The measurement of both operators shall be combined for calculation of average fiber diameter and fiber diameter dispersion.

(9) *Number of slides and fibers.* Each operator shall make a slide from each test specimen for a total of four slides per operator. The number of fibers to be measured per slide shall be determined by dividing the total number of fibers to be measured per test by 8 (the total number of slides prepared per test). The minimum number of fiber measurements required for each test shall be the number for the respective grade as prescribed in the measurement schedule for designating grades of wool top set forth in paragraph (c) of this section. Each operator shall measure approximately one-half the required number of fibers. In lots that are assigned a dual grade designation, the minimum number of fibers measured shall be that specified for the coarser of the two grades.

(10) *Calculations.* From the observations recorded on the wedge scales, compute the total number of measurements (n), the distribution of fiber diameter frequencies, and the average diameter of fiber ($\bar{X}$).

(i) The average diameter of fiber ($\bar{X}$) shall be determined by the following formula: $\bar{X}=A+mE_1$. In this formula—

A = Class interval midpoint
m = Class interval
$E_1=\frac{\Sigma fx}{n}$, where
Σ = Summation
f = Observed frequency
x = Deviation in class intervals from A
n = Total number of measurements

An example of the calculations is set forth below, based on an arbitrary selection of a class interval midpoint of 6.25 microns:

EXAMPLE OF CALCULATIONS: AVERAGE FIBER DIAMETER AND FIBER DIAMETER DISPERSION

Class interval	A	Deviation in class intervals from A z	Observed frequency f	fz	Cumulative frequency	Cumulative percent
5.0-7.5	6.25	0	0	0	0	0
7.5-10.0		1	0	0	0	0
10.0-12.5		2	1	2	1	.12
12.5-15.0		3	12	36	13	1.62
15.0-17.5		4	53	212	66	8.25
17.5-20.0		5	113	565	179	22.38
20.0-22.5		6	132	792	311	38.88
22.5-25.0		7	141	987	452	56.50
25.0-27.5		8	111	888	563	70.38
27.5-30.0		9	79	711	642	80.25
30.0-32.5		10	63	630	705	88.13
32.5-35.0		11	44	484	749	93.62
35.0-37.5		12	28	336	777	97.13
37.5-40.0		13	7	91	784	98.00
40.0-42.5		14	6	84	790	98.75
42.5-45.0		15	5	75	795	99.38
45.0-47.5		16	3	48	798	99.75
47.5-50.0		17	0	0	798	99.75
50.0-52.5		18	2	36	800	100.00
Total			800	5,977		

Number of measurements (n) = 800
A (class interval midpoint) = 6.25 microns
m (class interval) = 2.5 microns

$$E_1 = \left(\frac{\Sigma fz}{n}\right) = \frac{5977}{800} = 7.47$$

Average diameter, $\bar{X} = A + mE_1 = 6.25 + 2.5(7.47) = 24.93$ microns [1]

(b) *Procedure for designating grade.* A grade shall be assigned to a lot of wool top which corresponds to the average fiber diameter and fiber diameter dispersion requirements specified in §§ 31.100–31.116 and paragraph (c) of this section.

(1) *Single grade designation.* If the measured average diameter and fiber diameter dispersion correspond to a single grade, that shall be the grade assigned to the sample.

Example: Average fiber diameter—23.10 microns.

Fiber diameter dispersion:
30 microns and under—64 percent.
30.1 microns and over—36 percent.
50.1 microns and over—1 percent.
Grade designation—56s.

(2) *Dual grade designation.* If the fiber diameter dispersion does not meet the requirements for the grade to which the average fiber diameter corresponds, the wool top shall be assigned a dual grade designation, the second designation being one grade coarser than the grade to which the average fiber diameter corresponds.

Example: Average fiber diameter—23.10 microns.

Fiber diameter dispersion:
30 microns and under—61 percent.
30.1 microns and over—39 percent.
50.1 microns and over—3 percent.
Grade designation—56s-54s.

(c) *Measurement schedule for designating grades of wool top.*

Grade	Finer than 80s	80s	70s	64s	62s	60s	58s	56s	54s	50s	48s	46s	44s	40s	36s	Coarser than 36s
Average fiber diameter range, microns:																
Minimum		18.10	19.60	21.10	22.60	24.10	25.60	27.10	28.60	30.10	31.60	33.50	35.20	37.10	39.00	41.20
Maximum	18.09	19.59	21.09	22.59	24.09	25.59	27.09	28.59	30.09	31.79	33.49	35.19	37.09	38.99	41.29	
Fiber diameter dispersion, per-percent: [1]																
25 microns and under, minimum	95	91	83													
30 microns and under, minimum				92	86	80	72	62	54	44						
40 microns and under, minimum											78	68	62	54	44	
25.1 microns and over, maximum	5	9	17													
30.1 microns and over, maximum	1	1	3	8	14	20	28	38	46	56						
40.1 microns and over, maximum				1	1.5	2					25	32	38	46	56	
50.1 microns and over, maximum							1	1	2	3						
60.1 microns and over, maximum											1	1	2	3	4	
Number of fibers required per test [2]	400	400	400	600	600	600	1,000	1,200	1,400	1,600	1,800	2,000	2,200	2,400	2,600	2,800

[1] The second maximum percent shown for any grade is a part of, and not in addition to, the first maximum percent. In each grade, the minimum percent and the first maximum percent total 100 percent.

[2] Research has shown that when wools of average uniformity in fiber diameter are measured, the prescribed number of fibers to measure per test will result in confidence limits of the mean ranging from approximately ±0.4 to ±0.5 micron at a probability of 95 percent.

§ 31.302 Inspection method.

The grade of wool top also may be determined by inspection. This usually will be facilitated by comparing the fibers in the sample of wool top to be graded with fibers in the wool top samples certified by the U.S. Department of Agriculture as representative of the official grades. When using the certified samples to determine the grade of wool top, the grade assigned shall be that of the certified sample which most nearly matches the wool top being graded.

[1] Round off the calculated values of average fiber diameter to two decimal places as follows: If the figure in the third decimal place is 4 or less, retain the figure in the second decimal place unchanged; otherwise, increase the figure in the second decimal place by 1.

Any person who desires to submit written data, views, or arguments concerning the proposals set forth above may do so by filing them with the Hearing Clerk, U.S. Department of Agriculture, Washington, D.C. 20250, within 60 days after the date of publication of this notice in the FEDERAL REGISTER.

All written submissions made pursuant to this notice will be made available for public inspection at times and places and in a manner convenient to the public business (7 CFR 1.27(b)).

Done at Washington, D.C., this 22d day of August, 1967.

G. R. GRANGE,
Deputy Administrator,
Marketing Services.

[F.R. Doc. 67-10058; Filed, Aug. 28, 1967; 8:45 a.m.]

Notices

DEPARTMENT OF DEFENSE

Department of the Air Force

ORGANIZATION STATEMENT

Sec.
1. General.
2. Office of the Secretary of the Air Force.
3. Air Staff.
4. Field organization.

SECTION 1. *General*—(a) *Creation and authority.* The Department of the Air Force was established as part of the National Military Establishment by the National Security Act of 1947 (61 Stat. 495), and by the terms of that act came into legal being on September 18, 1947. The National Security Act Amendments of 1949 (63 Stat. 578) redesignated the National Military Establishment as the Department of Defense, established it as an executive department, and made the Department of the Air Force a military department within the Department of Defense. The Department of the Air Force is separately organized under the Secretary of the Air Force. It operates under the authority, direction, and control of the Secretary of Defense (10 U.S.C. 8010). The organization of the Department is prescribed by sections 8011–8079 of Title 10, United States Code.

(b) *Mission.* The mission of the Department of the Air Force is to provide an Air Force that is capable, in conjunction with the other armed forces, of preserving the peace and security of the United States, providing for its defense, supporting the national policies, implementing the national objectives, and overcoming any nation responsible for aggressive acts that imperil the peace and security of the United States. In general, the Air Force includes aviation forces, both combat and service, not otherwise assigned. It is organized, trained, and equipped primarily for prompt and sustained offensive and defensive aerospace operations. It is responsible for the preparation of the aerospace forces necessary for the effective prosecution of war except as otherwise assigned and, in accordance with integrated joint mobilization plans, for the expansion of the peacetime components of the Air Force to meet the needs of war.

SEC. 2. *Office of the Secretary of the Air Force*—(a) *Secretary of the Air Force.* The Secretary of the Air Force is responsible for and has the authority necessary to conduct all affairs of the Department of the Air Force, including those necessary or appropriate for the training, operations, administration, logistical support and maintenance, welfare, preparedness, and effectiveness of the Air Force, including research and development, and such other activities as may be prescribed by the President or the Secretary of Defense, as authorized by law. He conducts the business of the Department in such manner as the President or Secretary of Defense may prescribe. In the absence of the Secretary, the Under Secretary performs the duties of the Secretary; in the absence of the Secretary and Under Secretary, the Assistant Secretaries in the order fixed by their length of service as such perform the duties of the Secretary.

(b) *Under Secretary of the Air Force.* The Under Secretary of the Air Force, as principal assistant to the Secretary, acts with full authority of the Secretary on all affairs of the Department. He is responsible for the overall direction, guidance, and supervision of the affairs of the Department, and its plans, policies, and programs. He supervises the activities of the reserve components of the Air Force pursuant to 10 U.S.C. 264(b), and is a member of the Reserve Forces Policy Board. He is responsible for the direction, guidance, and supervision of the international activities of the Department.

(c) *Assistant Secretary of the Air Force (Research and Development).* The Assistant Secretary of the Air Force (Research and Development) is responsible for direction, guidance, and supervision over all matters pertaining to the formulation, review, and execution of plans, policies, and programs relative to: Scientific and technical matters; basic and applied research, exploratory development and advanced technology; integration of technology with, and determination of, qualitative Air Force requirements; research, development, test, and evaluation of weapons, weapons systems, and defense materiel; technical management of systems engineering and integration; and directing all space programs and supervising space activities of the Air Force.

(d) *Assistant Secretary of the Air Force (Installations and Logistics).* The Assistant Secretary of the Air Force (Installations and Logistics) is responsible for direction, guidance, and supervision over all matters pertaining to the formulation, review, and execution of plans, policies, and programs relative to: Production and contract management of weapons systems, industrial defense program; industrial resources and readiness; procurement activities, including required determinations and findings, contracting, and administration and termination of contracts; contractors equal employment opportunities; renegotiation affairs, contract appeals, and related activities; Contract Adjustment Board matters; small business; Canadian Production and Development Sharing Program; supply management, including requirements determinations, storage, distribution, and disposal of all materiel; equipment maintenance and modification management; International Logistics Program; materiel and logistics planning and programing; cost reduction program, installations planning and programing; acquisition and disposal of real estate; construction of bases and facilities; family housing; maintenance of real property; civil aviation, including the Department of Defense Advisory Committee on Federal Aviation, and the Interagency Group on International Aviation; transportation, communications, and other service activities; and economic utilization policy.

(e) *Assistant Secretary of the Air Force (Financial Management).* The Assistant Secretary of the Air Force (Financial Management) is responsible for direction, guidance, and supervision over all matters pertaining to the formulation, review, and execution of plans, policies, and programs relative to: The Air Force programing processes and the preparation and validation of all program documentation, including Program Changes; budgeting, fund management, cost analysis and cost control; accounting and accounting systems; finance, including disbursement and collection of funds; development and application of management information and control systems, progress and statistical reporting, special program status reports, and interpretation of such management data; auditing; contracts for Management Engineering Services, contract financing; and Automatic Data Processing policy and programs and is the Air Force Senior ADP policy official. The Assistant Secretary of the Air Force (Financial Management) is responsible for directing and supervising the Comptroller of the Air Force. While the Comptroller is directly responsible to the Assistant Secretary (Financial Management), he has a concurrent responsibility to the Chief of Staff.

(f) *Deputy Under Secretary (Manpower).* The Deputy Under Secretary (Manpower) is responsible for direction, guidance, and supervision over all matters pertaining to the formulation, review, and execution of plans, policies, and programs relative to: Manpower and organization; military and civilian personnel, including procurement, assignment, training, promotion, career development, pay and benefits, utilization, separation, medical care, and all factors affecting morale and well-being; Antidiscrimination Program, including Equal Employment Opportunities Program; Reserve components, Air National Guard and Air Force Reserve Officers' Training Corps; Civil Air Patrol; management principles, including the Management Improvement Program; contracts for personal services and training; travel and per diem allowances; Air Force Board for Correction of Military Records; and Secretary of the Air Force Personnel Council and its component

boards, including the Air Force Discharge Review Board, the Air Force Board of Review, the Air Force Personnel Board, the Air Force Disability Review Board, the Air Force Physical Disability Appeal Board, and the Air Force Decorations Board.

(g) *Administrative Assistant.* The Administrative Assistant is responsible for the management and administration of the Office of the Secretary, including advisory services on departmental management and administrative matters; assures administrative continuity in the Office of the Secretary during changes of top officials; performs various functions and special projects involving matters in the department as directed by the Secretary.

(h) *General Counsel.* The General Counsel is the final legal authority on all matters arising within or referred to the Department of the Air Force, except those relating to the administration of military justice and such other matters as may be assigned to The Judge Advocate General. The General Counsel furnishes all necessary legal advice and assistance to the Office of the Secretary of the Air Force, and is also responsible for providing legal advice and assistance to the Air Staff on matters relating to Procurement; research and development; real property acquisition and disposal; construction of military public works; family housing programs; fiscal matters; civil aviation; and personnel security programs. The General Counsel represents the Secretary of the Air Force in dealing with other departments and agencies of the Government on all matters relating to the negotiation of international agreements affecting the Air Force.

(i) *Director, Office of Legislative Liaison.* The Director of Legislative Liaison advises and assists the Secretary and all other principal civilian and military officials of the Department concerning Air Force legislative affairs and congressional relations, except appropriation matters. He is responsible for developing, coordinating, and supervising the Air Force legislative program, including the preparation of reports, testimony, and related statements on legislation; processing replies to congressional committee investigative inquiries, including the preparation of testimony for hearings; processing replies to inquiries from members of Congress, the Executive Office of the President, and the Office of the Vice President; supervising travel arrangements for congressional travel designated an official responsibility of the Air Force; informing members of Congress and committees of Congress of Air Force activities; and the release of classified information to the Congress.

(j) *Director, Office of Information.* The Director of Information, under the direction of the Secretary of the Air Force and the general supervision of the Under Secretary, and consistent with policies established by the Office of the Secretary of Defense, is assigned the authority and responsibility to discharge the duties and functions prescribed herein. This authority extends to relationships and transactions with all elements of the Department of the Air Force and other governmental and nongovernmental organizations and individuals. The Director advises and assists the Secretary of the Air Force and all other principal civilian and military officials of the Department of the Air Force concerning information activities. He is responsible for: Conducting the operations of the United States Air Force Information Program; planning, directing, and supervising internal and external information activities; developing and supervising programs designed to maintain effective Air Force-community relations; maintaining liaison with counterpart information offices of the Office, Secretary of Defense, Army, Navy, and other governmental and industrial organizations.

SEC. 3. *Air Staff*—(a) *Chief of Staff.* The Chief of Staff, U.S. Air Force, serves as a member of the Joint Chiefs of Staff and the Armed Forces Policy Council. In his Joint Chiefs of Staff capacity he is one of the principal military advisers to the President, the National Security Council, and the Secretary of Defense. He is the principal military adviser and executive to the Secretary of the Air Force on activities of the Air Force. He presides over the Air Staff, and supervises such members and organizations of the Air Force as the Secretary of the Air Force determines, consistent with full operational command assigned to Commanders of specified and unified combatant commands. He is responsible for transmitting to the Secretary the plans and recommendations of the Air Staff, for advising him with regard thereto, and, after their approval by the Secretary, for acting as his agent in carrying them out. The Chief of Staff is directly responsible to the Secretary of the Air Force for the efficiency of the Air Force and preparation of its forces for military operations. He supervises the administration of Air Force personnel assigned to unified organizations and unified and specified combatant commands, and support of forces assigned to these organizations and commands as directed upon the Air Force by the Secretary of Defense. He supervises the following activities when responsibility for them has been assigned to the Air Force by the Secretary of Defense: The carrying out of any supply or service activity common to more than one military department; the development and operational use of new weapons and weapon systems; and the performance of such functions as may be transferred from other departments or agencies of the Department of Defense. He performs such other duties as are assigned by the President.

(b) *Vice Chief of Staff.* The Vice Chief of Staff assists the Chief of Staff, in the exercise of all his responsibilities. Under delegated authority from the Chief of Staff, he supervises the U.S. Air Force consistent with policy guidance and statutory limitations. In the absence or disability of the Chief of Staff, or in the event of a vacancy in that office, he exercises the authority and performs the duties of the Chief of Staff. He serves as Chairman of the Air Force Council.

(c) *Assistant Vice Chief of Staff.* The Assistant Vice Chief of Staff assists the Chief of Staff and the Vice Chief of Staff in the discharge of their duties. He assists in the development, implementation, and review of plans, programs, and policies, and in the overall direction of the USAF and exercises general supervision over the organization and administration of the Air Staff.

(d) *Secretary of the Air Staff.* The Secretary of the Air Staff is responsible to the Assistant Vice Chief of Staff for internal administration and management of the Air Staff. He supervises management programs for efficient utilization of Air Staff resources.

(e) *USAF Scientific Advisory Board.* The USAF Scientific Advisory Board advises the Secretary of the Air Force and the Chief of Staff on all scientific matters of interest to the Air Force mission. The Board reviews research and technological developments for possible further development for military application, reviews and evaluates the Air Force long-range plans for research and development, and provides advice on the adequacy of the Air Force program.

(f) *Chief Scientist.* The Chief Scientist serves as chief scientific adviser to the Chief of Staff and the Air Force in all areas of research and development. He recommends changes in policies, plans, and organization to improve research and development programs.

(g) *Chief Operations Analysis.* The Chief of Operations Analysis serves as a scientific adviser to the Secretary of the Air Force and the Chief of Staff, USAF, on matters relating to Air Force designated and functional studies, and he provides focus and direction to the worldwide Air Force Operations Analysis Program. The Operations Analysis Office makes scientific studies of the problems of air warfare in order to provide bases for command and management decisions. It uses the methods of operations research to study and evaluate weapons and tactics, strategy, logistics, and other subjects related to the Air Force mission.

(h) *Surgeon General.* The Surgeon General, U.S. Air Force, advises the Secretary of the Air Force and the Chief of Staff on all matters pertaining to the health of Air Force personnel, administers all medical services of the U.S. Air Force, develops the Air Reserve Forces medical program, and advises the Deputy Assistant Secretary of Defense (Health and Medical) on USAF medical matters.

(i) *The Inspector General.* The Inspector General acts as an adviser to the Chief of Staff and serves as a professional assistant to the Secretary of the Air Force. He determines the status of combat readiness, command mission accomplishment, logistic effectiveness and discipline; evaluates the efficiency, economy, and adequacy of the USAF; investigates matters within USAF jurisdiction involving crime, violations of public trust, subversion, disaffection, and related activities; directs the counterintelligence program; establishes security policy; develops and directs the ground, flight, missile, and nuclear

safety policies, programs, and procedures; and establishes effective Air Force facilities for inspection, security, investigation, law enforcement, and safety.

(j) *The Judge Advocate General.* The Judge Advocate General, U.S. Air Force, acts as legal adviser to the Chief of Staff and exercises general supervision over the administration of military justice and civil law matters pertaining to the Air Force. He is responsible for the establishment and operation of the legal system of appellate reviews of courts-martial records as provided by the Uniform Code of Military Justice.

(k) *Assistant Chief of Staff, Intelligence.* The Assistant Chief of Staff, Intelligence, develops and implements USAF intelligence plans and policies and represents the Chief of Staff, USAF, for intelligence matters on specific joint and interagency committees of the Government. He coordinates the collection and production of air intelligence by Air Force activities and provides official liaison between the foreign military representatives and the Air Force. He monitors the worldwide targeting efforts in order to keep the USAF apprised of current changes and developments; and produces air technical intelligence from reports and analyses of foreign materiel.

(l) *Assistant Chief of Staff, Reserve Forces.* The Assistant Chief of Staff, Reserve Forces, assists and advises the Secretary of the Air Force and the Chief of Staff on all matters relating to Reserve components. He monitors the overall planning and implementation of programs for Reserve Forces, and provides liaison with nongovernmental organizations having a primary interest in Reserve Forces.

(m) *Assistant Chief of Staff, Studies and Analysis.* The Assistant Chief of Staff, Studies and Analysis, formulates the Air Force Designated Studies Program for approval by the Chief of Staff, U.S. Air Force, and conducts or assists in conducting all studies so approved. Designated studies are important, high priority studies of particular significance to the Air Force. Generally, they deal with strategic offensive and defensive, general purpose and airlift force composition. The Assistant Chief of Staff, Studies and Analysis, also conducts technical and specialized operational feasibility analyses and cost effectiveness evaluations to assist in major force level decisions.

(n) *Chief of Chaplains.* The Chief of Chaplains is responsible for all matters pertaining to the Air Force chaplaincy. He establishes and maintains cordial relationship with religious groups and quasi-official relationship with ecclesiastical endorsing agencies.

(o) *Director of Administrative Services.* The Director of Administrative Services is responsible for developing policies, programs, and procedures for administrative management, practices, and services throughout the Air Force. Additionally, he is responsible for the operation of the Air Force Postal and Courier Service and for the performance of administrative services in direct support of Headquarters, USAF and the Office of the Secretary of the Air Force.

(p) *Comptroller of the Air Force.* The Comptroller of the Air Force is directly responsible to the Assistant Secretary of the Air Force (Financial Management) and concurrently to the Chief of Staff, USAF, for budgeting, accounting, disbursing, data management, and automated systems development, analyses and progress reporting, and auditing throughout the Air Force.

(q) *Deputy Chief of Staff, Personnel.* The Deputy Chief of Staff, Personnel, is responsible for developing plans, policies, and programs pertaining to military and civilian personnel of the Air Force and directing the execution thereof. He develops personnel systems designed to integrate fully qualified personnel at the time and place required for optimum support of all weapon and support systems, and attendant operational support.

(r) *Deputy Chief of Staff, Programs and Resources.* The Deputy Chief of Staff, Programs and Resources, is responsible for developing Air Force programs pertaining to the attainment of operating and supporting forces, and directing the implementation of necessary actions relating thereto. He exercises Air Staff leadership in effecting maximum balance of available resources and integration of effort toward optimum operational capability of all weapon and support systems.

(s) *Deputy Chief of Staff, Plans and Operations.* The Deputy Chief of Staff, Plans and Operations, is responsible for formulating overall Air Force operational concepts, objectives, policies, plans, missions, and doctrines. He translates assigned roles and missions into Air Force tasks and determines force requirements to support approved national strategy. His planning functions include unilateral aerospace planning and joint planning. He is also responsible for those operating functions which are in support of the Joint Chiefs of Staff. He is the Operations Deputy to the Chief of Staff, USAF, in the latter's capacity as a member of the Joint Chiefs of Staff and is responsible for USAF participation in joint and combined policy making, planning, and operational activities.

(t) *Deputy Chief of Staff, Research and Development.* The Deputy Chief of Staff, Research and Development, is responsible for identification of desired operational capabilities for aerospace systems and subsystems to perform military tasks. He develops and directs plans and programs for the Air Force in the field of basic and applied research, advanced engineering development, development planning, research support, and test activities. He serves as the focal point for all matters relating to space, including the coordination of Air Force activities with other Government agencies. He is responsible for projecting developments to meet future Air Force mission requirements, and directs Air Force research and development activities in the nuclear energy field.

(u) *Deputy Chief of Staff, Systems and Logistics.* The Deputy Chief of Staff, Systems and Logistics, is responsible for developing and directing plans, programs, policies, and procedures for the management of Air Force and Reserve Forces activities in the field of logistical support. This involves systems and support equipment development, quantitative logistical requirements determination, procurement, supply and services, production, industrial planning, maintenance engineering, and transportation. This also includes responsibility for execution of the Air Force portion of the foreign military assistance program, Air Force small business affairs, and technical programs security.

SEC. 4 *Field organization.* There are 16 major commands and 4 separate operating agencies which together represent the field organization of the U.S. Air Force. These commands are organized on a functional basis in the United States and on an area basis overseas. The commands are given the responsibility for accomplishing certain phases of the worldwide activities of the USAF. They are responsible for organizing, administering, equipping, and training their subordinate elements for the accomplishment of assigned missions.

(a) *Air Defense Command.* The Air Defense Command is a major command of the U.S. Air Force and is the Air Force component in the North American Air Defense Command/Continental Air Defense Command structure. Its primary mission is to discharge Air Force responsibilities for the air defense of the United States.

(b) *Air Force Logistics Command.* The Air Force Logistics Command provides worldwide logistics support to the Air Force. This includes procurement, storage, and distribution of supplies, and the performance of or arrangement for the performance of depot level maintenance on material.

(c) *Air Force Systems Command.* The responsibility of the Air Force Systems Command is to advance aerospace technology, adapt it into operational aerospace systems, and acquire qualitatively superior aerospace systems and material needed to accomplish the U.S. Air Force mission.

(d) *Air Training Command.* The Air Training Command provides individual training for Air Force officers and airmen. This includes: basic training and indoctrination for all Air Force recruits; flying training; and technical field, special, and such other training as directed. It is also charged with the recruiting function for the USAF.

(e) *Air University.* The Air University is primarily concerned with the higher education of Air Force officers. It is responsible for the supervision and operation of such activities as the War College, the Command and Staff College, the Institute of Technology, the Extension Course Institute, and the Air Force ROTC.

(f) *Continental Air Command.* The Continental Air Command has command and administrative responsibility for Air Force Reserve units and personnel and miscellaneous administrative functions within the CONUS that includes liaison

with the Selective Service System; administration of the Civil Air Patrol; providing representation on State Reserve facilities boards; liaison with Air Explorer officials; providing representation on Regional Civil Defense Coordinating Board; coordination with Continental Army Headquarters on matters concerning domestic and civil defense emergency plans.

(g) *Headquarters Command, USAF.* The Headquarters Command provides administrative and logistics support for Headquarters, USAF, and for those Air Force units stationed within the Washington, D.C., area on a permanent or temporary duty basis that are not capable of providing self-support. This includes the USAF Band; air attache and air mission units and other special mission personnel located in the CONUS and overseas.

(h) *Military Airlift Command.* The Military Airlift Command provides air transportation for personnel and cargo for all the military services on a worldwide basis. In addition, MAC furnishes weather, rescue, and photographic and charting services for the Air Force.

(i) *Strategic Air Command.* The Strategic Air Command is a major command of the U.S. Air Force and a Joint Chiefs of Staff specified command. Its primary mission is to organize, train, equip, administer, and prepare strategic Air Forces for combat, including bombardment, missile, special mission, and strategic reconnaissance units; and to conduct strategic air operations.

(j) *Tactical Air Command.* The Tactical Air Command is a major command of the U.S. Air Force and is the Air Force component (Air Force Strike Command) in the U.S. Strike Command. Its mission is to organize, train, and equip forces to participate in tactical air operations which includes tactical fighter, tactical air reconnaissance, special air warfare, tactical airlift, close combat air support, and logistical air support to the Army; and joint amphibious and airborne operations in coordination with the other services in accordance with doctrines established by the Joint Chiefs of Staff. Participates with the Army, Navy, and Marine Corps in developing doctrine, procedures, tactics, techniques, training, and equipment for joint operations. Provides combat ready air elements to Strike Command.

(k) *U.S. Air Force Security Service.* The U.S. Air Force Security Service monitors Air Force communications in all parts of the world to insure compliance with established communication security practices and procedures. Additionally, USAF Security Service units occasionally conduct research in communication phenomena in support of various elements of the U.S. Government.

(l) *Air Force Communications Service.* The Air Force Communications Service provides base and point-to-point communications, flight facilites, and air traffic control services primarily to the Air Force but also other agencies, governmental and civil, national and foreign.

(m) *Oversea commands.* The U.S. Air Forces in Europe, Pacific Air Forces, Alaskan Air Command, and U.S. Air Forces Southern Command constitute the oversea commands of the USAF. They are responsible for the offensive, defensive, transport, and logistics functions in their area of operation. They provide the air elements for the unified force to which they are assigned and assist Air Forces of other countries.

(n) *Separate operating agencies.* (1) The Air Force Accounting and Finance Center provides technical supervision, advice, and guidance to Air Force accounting and finance field activities and a centralized Air Force accounting and finance operation.

(2) The Aeronautical Chart and Information Center provides the Air Force with aeronautical charts, air targets materials, flight information, publications and documents, terrain models, maps, intelligence on air facilities, and related cartographic services.

(3) The Office of Aerospace Research conducts and supports research relevant to the U.S. Air Force interests.

(4) The U.S. Air Force Academy provides a 4-year educational curriculum for cadets that includes a baccalaureate level education in airmanship, related sciences, and the humanities. Besides a classical education, each cadet is trained to appreciate the role of airpower, its capabilities and limitations, high ideals of individual integrity, patriotism, loyalty, honor, physical fitness, sense of responsibility, and a dedication of selfless and honorable service.

(5 U.S.C. 301, 552; 10 U.S.C. 8012)

By order of the Secretary of the Air Force.

LUCIAN M. FERGUSON,
Colonel, U.S. Air Force, Chief, Special Activities Group, Office of The Judge Advocate General.

[F.R. Doc. 67-10081; Filed, Aug. 28, 1967; 8:45 a.m.]

Department of the Navy

ORGANIZATION STATEMENT

Miscellaneous Amendments

1. Section 4 of the Organization Statement of the Department of the Navy (32 F.R. 8305) is amended by revising paragraph (d) (7) to read as follows:

SEC. 4. *The Chief of Naval Operations.* * * *

(d) *Office of the Chief of Naval Operations.* * * *

(7) Assistant Chief of Naval Operations (Intelligence) (ACNO (Intell)): Serves as the principal staff advisor to the Secretary of the Navy and the Chief of Naval Operations on intelligence and security plans and policy and provides staff intelligence support; implements the responsibilities of the Chief of Naval Operations to develop, coordinate, and promulgate policies, plans and programs for intelligence and security activities of the Department of the Navy; and advises and assists officials in the Department of the Navy in matters of protocol and liaison with foreign officials.

* * * * * *

2. The Organization Statement of the Department of the Navy (32 F.R. 8305) is amended by inserting a new section to read as follows:

SEC. 6a. *Naval Intelligence Command*—(a) *Commander Naval Intelligence Command.* The Commander, Naval Intelligence Command (COMNAVINTCOM), under the Chief of Naval Operations (CNO) commands all activities of the Naval Intelligence Command. He is responsible to CNO for directing and managing the activities of the Naval Intelligence Command in order to ensure the fulfillment of the intelligence, counterintelligence, investigative, and security requirements, and responsibilities of the Department of the Navy.

(b) *Organization.* The Naval Intelligence Command includes the Headquarters Naval Intelligence Command and five subordinate field activities. These are the Naval Investigative Service/Naval Investigative Service Headquarters (NISHQ), the Naval Scientific and Technical Intelligence Center (STIC), the Naval Reconnaissance and Technical Support Center (NRTSC), the Navy Field Operational Intelligence Office (FOIO), and the Naval Intelligence Processing Systems Support Activity (NIPSSA). Under COMNAVINTCOM, the commanding officers/officers in charge of the foregoing activities are responsible for intelligence production and support in their assigned functional areas and for the proper utilization and effectiveness of their assigned resources.

(Secs. 301, 552, 80 Stat. 379, 383 (Public Law 90-23, 81 Stat. 54, effective July 4, 1967); 5 U.S.C. 301, 552)

Dated: August 22, 1967.

By direction of the Secretary of the Navy.

[SEAL] WILFRED HEARN,
Rear Admiral, U.S. Navy, Judge Advocate General.

[F.R. Doc. 67-10063; Filed, Aug. 28, 1967; 8:45 a.m.]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[Serial No. Colo. 0127417]

COLORADO

Notice of Classification

AUGUST 22, 1967.

Pursuant to the Act of September 19, 1964 (78 Stat. 986; 43 U.S.C. 1412), the public lands described below are hereby classified for disposal through exchange under section 8 of the Taylor Grazing Act (43 U.S.C. 315g).

No protests or objections were received following publication of a Notice of Proposed Classification (32 F.R. 6317). Therefore no changes have been made in the list of lands included in the classification. The lands affected by this classification are in Moffat County, Colo., and are described as follows:

6TH PRINCIPAL MERIDIAN, COLORADO

T. 11 N., R. 95 W.,
Sec. 17, lots 29 and 30;
Sec. 19, lots 3 and 4;
Sec. 20, lots 2, 3, 8 to 16, inclusive, and lots 18 to 28, inclusive;
Sec. 21, lots 7, 9, 11, 13, and lots 17 to 24, inclusive;
Sec. 28, lots 1 to 13, inclusive, and S½;
Sec. 29, lots 1 to 25, inclusive;
Sec. 30, lots 1, 2, 5, 6, 7, 10, and 11, and lots 14 to 29, inclusive;
Sec. 33, all.
T. 11 N., R. 96 W.,
Sec. 25, lots 5 and 6;
Sec. 36, lots 1, 2, 14, 15, 16, and 25.

The areas described aggregate 4,105.03 acres.

For a period of 30 days, interested parties may submit comments to the Secretary of the Interior, LLM 721, Washington, D.C. 20240. (43 CFR 2411.12(d).)

J. ELLIOTT HALL,
Acting State Director.

[F.R. Doc. 67-10119; Filed, Aug. 26, 1967; 8:48 a.m.]

Office of the Secretary

THEODORE W. NELSON

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past 6 months:

(1) Purchased 200 shares Mobil Oil Corp. stock.
(2) Purchased two $5,000 tax-free municipal bonds—Greater New Orleans Expressway.
(3) Purchased 350 shares Mobil Oil Corp. stock.
(4) None.

This statement is made as of August 15, 1967.

Dated: August 15, 1967.

T. W. NELSON.

[F.R. Doc. 67-10094; Filed, Aug. 28, 1967; 8:46 a.m.]

FINISHED PRODUCTS

Adjustment in Maximum Level of Imports Into Puerto Rico

Pursuant to paragraph (c) of section 2 of Proclamation 3279, as amended (30 F.R. 15459), for the period January 1, 1967, through December 31, 1967, the maximum level of imports of finished products other than residual fuel oil to be used as fuel as adjusted on December 28, 1966 (32 F.R. 152) is increased by 120,000 barrels to permit the importation as asphalt in that amount to meet a demand in Puerto Rico which would not otherwise be met.

STEWART L. UDALL,
Secretary of the Interior.

AUGUST 22, 1967.

[F.R. Doc. 67-10095; Filed, Aug. 28, 1967; 8:46 a.m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

MONSANTO CO.

Notice of Filing of Petition for Food Additives

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(b)(5), 72 Stat. 1786; 21 U.S.C. 348(b)(5)), notice is given that a petition (FAP 7B2186) has been filed by Monsanto Co., Hydrocarbons and Polymers Division, 730 Worchester Street, Indian Orchard, Mass. 01105, proposing an amendment to § 121.2597 *Acrylic polymer modifiers in semirigid and rigid polyvinyl chloride plastics* to provide for the safe use of polymeric combinations of methyl methacrylate, butadiene, and styrene as modifiers at levels up to 45 weight-percent in semirigid and rigid polyvinyl chloride plastic food-contact articles. As proposed, such polymeric combinations of methyl methacrylate, butadiene, and styrene may contain more than 50 weight-percent of polymer units derived from butadiene and styrene.

Dated: August 21, 1967.

J. K. KIRK,
Associate Commissioner, for Compliance.

[F.R. Doc. 67-10118; Filed, Aug. 28, 1967; 8:46 a.m.]

DEPARTMENT OF TRANSPORTATION

Coast Guard

[CGFR 67-42]

EQUIPMENT, INSTALLATIONS, OR MATERIALS

Approval and Termination of Approval Notice

1. Various items of lifesaving, firefighting, and miscellaneous equipment, installations, and materials used on vessels subject to Coast Guard inspection or on certain motorboats and other pleasure craft are required by various laws and regulations in 46 CFR Chapter I to be of types approved by the Commandant, U.S. Coast Guard. The purpose of this document is to notify all concerned that certain approvals were granted or terminated, as described in this document during the period from January 26, 1967, to May 11, 1967 (List Nos. 11-67, 12-67, 13-67, 14-67, 15-67, 16-67, 17-67, 18-67, 19-67, 20-67, and 21-67). These actions were taken in accordance with the procedures set forth in 46 CFR 2.75-1 to 2.75-50, inclusive. For certain types of equipment, installations, and materials, specifications have been prescribed by the Commandant and are published in 46 CFR Parts 160 to 164, inclusive (Subchapter Q—Specifications).

2. The statutory authorities for granting approvals of equipment and the delegation of authority to the Commandant, U.S. Coast Guard, are set forth with the specific specifications governing the item and are set forth in 46 CFR Parts 160 to 164, inclusive (Subchapter Q—Specifications). The general authorities regarding approvals are set forth in sections 367, 375, 390b, 416, 481, 489, 526p, and 1333 in Title 46, United States Code, section 1333 in Title 43, United States Code and section 198 in Title 50, United States Code while the implementing regulations requiring such equipment are in 46 CFR Chapter I or 33 CFR Chapter I. The delegations of authority for the Commandant, U.S. Coast Guard, to take appropriate actions with respect to approvals are set forth in section 632 of Title 14, United States Code, and subsection 1.4(a), Department of Transportation Order 1100.1, dated March 31, 1967 (49 CFR 1.4(a)(2), 32 F.R. 5606).

3. In Part I of this document are listed the approvals which shall be in effect for a period of 5 years from the dates issued unless sooner canceled or suspended by proper authority.

4. In Part II of this document are listed the approvals which have been terminated. Notwithstanding this termination of approvals of the items as listed in Part II, such equipment may be used so long as it is in good and serviceable condition.

PART I—APPROVALS OF EQUIPMENT, INSTALLATIONS, OR MATERIALS

LIFE PRESERVERS, KAPOK, ADULT AND CHILD (JACKET TYPE) MODELS 3 AND 5

NOTE: Approved for use on all vessels and motorboats.

Approval No. 160.002/2/1, Model 3, adult kapok life preserver, U.S.C.G. Specification Subpart 160.002, manufactured by Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 7, 1967. (Formerly The American Pad & Textile Co.) (It supersedes Approval No. 160.002/2/1 dated Aug. 30, 1966, to show change in name of manufacturer.)

Approval No. 160.002/3/1, Model 5, child kapok life preserver, U.S.C.G. Specification Subpart 160.002, manufactured by Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 7, 1967. (Formerly The American Pad & Textile Co.) (It supersedes Approval No. 160.002/3/1 dated Aug. 30, 1966, to show change in name of manufacturer.)

BUOYS, LIFE, RING, CORK OR BALSA WOOD

Approval No. 160.009/32/0, 30-inch cork ring life buoy, U.S.C.G. Specification Subpart 160.009, manufactured by Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 7, 1967. (Formerly The American Pad & Textile Co.) (It supersedes Approval No. 160.009/32/0 dated Apr. 23, 1964, to show change in name of manufacturer.)

BUOYANT APPARATUS

Approval No. 160.010/59/1, 4.17' x 3.0' (8" x 8" body section) rectangular buoyant apparatus, fibrous glass reinforced neoprene latex shell with unicellular plastic foam core, 7-person capacity, Plasti-Kraft Dwg. No. BA-3-7, dated January 15, 1964, and revised specification dated July 13, 1964, manufactured by The Plasti-Kraft Corp., Ozona Industrial Park, Ozona, Fla. 33560, for Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 7, 1967. (Formerly The American Pad & Textile Co.) (It supersedes Approval No. 160.-010/59/1 dated Aug. 28, 1964, to show change in name of manufacturer.)

Approval No. 160.010/60/1, 6.17' x 3.67' (9" x 9" body section) rectangular buoyant apparatus, fibrous glass reinforced neoprene latex shell with unicellular plastic foam core, 13-person capacity, Plasti-Kraft Dwg. No. BA-3-13, dated January 15, 1964, and revised specification dated July 13, 1964, manufactured by The Plasti-Kraft Corp., Ozona Industrial Park, Ozona, Fla. 33560, for Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 7, 1967. (Formerly The American Pad & Textile Co.) (It supersedes Approval No. 160.010/60/1 dated Aug. 28, 1964, to show change in name of manufacturer.)

WATER, EMERGENCY DRINKING (IN HERMETICALLY SEALED CONTAINERS)

Approval No. 160.026/21/2, container for emergency provisions, dwg. No. A-101-467 dated April 9, 1967, Rev. April 27, 1967, manufactured by H & M Packing Corp., 913 Ruberta Avenue, Glendale, Calif. 91201, effective April 27, 1967. (It supersedes Approval No. 160.026/21/1 dated Jan. 8, 1963, to show increase in provisions.)

DAVITS

Approval No. 160.032/142/3, mechanical davit, steel straight boom-sheath screw, Type 24-40, MKII; approved for a maximum working load of 12,000 pounds per set (6,000 pounds per arm), identified by general arrangement dwg. 5011-1E, alteration E, dated April 13, 1967, and drawing list GA-5011-2D dated April 14, 1967, manufactured by Marine Safety Equipment Corp., Foot of Paynter's Road, Farmingdale, N.J. 07727, effective May 11, 1967. (It supersedes Approval No. 160.032/142/2 dated Dec. 7, 1962, to show change in design.)

Approval No. 160.032/175/0, gravity davit, Type CG-220-2G, approved for a maximum working load of 22,000 pounds per set (11,000 pounds per arm) using 2-part falls; identified by general arrangement dwg. DA-9159, Rev. A, dated December 6, 1966, and dwg. list, dated March 10, 1967, manufactured by Carroll Engineering Co., 313 State Street, Box 711, Perth Amboy, N.J. 08862, effective April 7, 1967.

LIFEBOATS

Approval No. 160.035/12/4, 18.0' x 5.7' x 2.5' steel, oar-propelled lifeboat, 12-person capacity identified by general arrangement dwg. No. G-1812 (Formerly No. G-1815), dated July 25, 1951, and revised January 31, 1967, manufactured by C. C. Galbraith & Son, Inc., Maple Place and Manchester Avenue, Post Office Box 185, Keyport, N.J. 07735, effectve April 7, 1967. (It reinstates and supersedes Approval No. 160.035/12/3 dated Jan. 9, 1967.)

Approval No. 160.035/178/6, 16.0' x 5.5' x 2.38' steel, oar-propelled lifeboat, 9-person* capacity, identified by construction and arrangement dwg. No. 16-1, Rev. E, dated March 22, 1967, manufactured by Marine Safety Equipment Corp., Foot of Paynter's Road, Farmingdale, N.J. 07727, effective March 27, 1967. (If mechanical disengaging apparatus is fitted, it shall be of an approved type and the installation in this particular lifeboat shall be approved by the Commandant. *Approved for 12-person capacity as a replacement in kind for an existing lifeboat requiring 12-person capacity.) (It supersedes Approval No. 160.035/178/5 dated Oct. 6, 1966, to show change in capacity and weight.)

Approval No. 160.035/246/3, 22.0' x 6.5' x 2.67' steel, oar-propelled lifeboat, 22-person capacity, identified by construction and arrangement dwg. No. 22-3, Rev. E, dated April 7, 1967, manufactured by Marine Safety Equipment Corp., Foot of Paynter's Road, Farmingdale, N.J. 07727, effective April 10, 1967. (It supersedes Approval No. 160.035/246/2 dated Apr. 10, 1962, to show change in construction.)

Approval No. 160.035/280/3, 26.0' x 9.0' x 3.83' aluminum, oar-propelled lifeboat, 53-person capacity, identified by construction and arrangement dwg. No. 26-8, alteration D, dated March 23, 1967, manufactured by Marine Safety Equipment Corp., Foot of Paynter's Road, Farmingdale, N.J. 07727, effective March 27, 1967. (It supersedes Approval No. 160.035/280/2 dated Mar. 27, 1962, to show change in construction.)

Approval No. 160.035/284/3, 16.0' x 5.5' x 2.38' aluminum, oar-propelled lifeboat, 9-person capacity, identified by construction and arrangement drawing No. 16-3, Rev. F, dated March 29, 1967, manufactured by Marine Safety Equipment Corp., Foot of Paynter's Road, Farmingdale, N.J. 07727, effective April 10, 1967. (It supersedes Approval No. 160.035/284/2 dated Dec. 21, 1966, to show change in capacity and equipment.)

Approval No. 160.035/421/1, 30.0' x 10.0' x 4.33' aluminum, hand-propelled lifeboat, 78-person capacity, identified by general arrangement dwg. No. 30-4, Rev. D, dated February 28, 1967, manufactured by Marine Safety Equipment Corp., Foot of Paynter's Road, Farmingdale, N.J. 07727, effective March 31, 1967. (It supersedes Approval No. 160.035/421/0 dated Dec. 1, 1961.)

Approval No. 160.035/453/0, 28.0' x 9.8' x 4.12' steel, hand-propelled lifeboat, 66-person capacity, identified by general arrangement and construction dwg. No. 28-003-01, Rev. A, dated April 10, 1967, manufactured by Lane Lifeboat & Davit Corp., 150 Sullivan Street, Brooklyn, N.Y. 11231, effective April 27, 1967.

KITS, FIRST-AID

Approval No. 160.041/2/0, first-aid kit, Model X-173, dwg. No. 450-X, Rev. 2, dated March 10, 1952, and dwg. No. X-181, Rev. 2, dated March 10, 1952, manufactured by Davis Emergency Equipment Co., Inc., 45 Halleck Street, Newark, N.J. 07104, effective April 7, 1967. (It is an extension of Approval No. 160.041/2/0 dated May 1, 1967.)

Approval No. 160.041/3/0, first-aid kit, Model No. 600 M, dwg. No. 100A, dated February 25, 1952, manufactured by Medical Supply Co., 1027 West State Street, Rockford, Ill. 61102, effective May 2, 1967. (It is an extension of Approval No. 160.041/3/0 dated July 17, 1962.)

BUOYANT VESTS, KAPOK OR FIBROUS GLASS, ADULT AND CHILD

NOTE: Approved for use on motorboats of Classes A, 1, or 2 not carrying passengers for hire.

Approval No. 160.047/300/0, Type I, Model AK-1, adult kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 7, 1967. (Formerly The American Pad & Textile Co.) (It supersedes Approval No. 160.047/300/0 dated Aug. 30, 1966, to show change in name of manufacturer.)

Approval No. 160.047/301/0, Type I, Model CKM-1, child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 7, 1967. (Formerly the American Pad & Textile Co.) (It supersedes Approval No. 160.047/301/0 dated Aug. 30, 1966, to show change in name of manufacturer.)

Approval No. 160.047/302/0, Type I, Model CKS-1, child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 7, 1967. (Formerly the American Pad & Textile Co.) (It supersedes Approval No. 160.047/302/0 dated Aug. 30, 1966, to show change in name of manufacturer.)

Approval No. 160.047/511/0, Type I, Model AK-1, adult kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y. 11201, for Herter's, Inc., Waseca, Minn. 56093, effective May 9, 1967. (It reinstates Approval No. 160.047/511/0 dated Aug. 21, 1961, terminated Aug. 21, 1966.)

Approval No. 160.047/512/0, Type I, Model CKM-1, child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047,

manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y. 11201, for Herter's, Inc., Waseca, Minn. 56093, effective May 9, 1967. (It reinstates Approval No. 160.047/512/0 dated Aug. 21, 1961, terminated Aug. 21, 1966.)

Approval No. 160.047/513/0, Type I, Model CKS–1, child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y. 11201, for Herter's, Inc., Waseca, Minn. 56093, effective May 9, 1967. (It reinstates Approval No. 160.047/513/0 dated Aug. 21, 1961, terminated Aug. 21, 1966.)

BUOYANT CUSHIONS, KAPOK OR FIBROUS GLASS

NOTE: Approved for use on motorboats of Classes A, 1, or 2 not carrying passengers for hire.

Approval No. 160.048/3/0, group approval for rectangular and trapezoidal kapok buoyant cushions, U.S.C.G. Specification Subpart 160.048, sizes and weights of kapok filling to be as per Table 160.048–4(c)(1)(i), manufactured by Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 7, 1967. (Formerly The American Pad & Textile Co.) (It supersedes Approval No. 160.-048/3/0 dated Aug. 30, 1966, to show change in name of manufacturer.)

Approval No. 160.048/4/0, group approval for rectangular and trapezoidal fibrous glass buoyant cushions, U.S.C.G. Specification Subpart 160.048, sizes and weights of fibrous glass fillings to be as per Table 160.048–4(c)(1)(ii), manufactured by Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 7, 1967. (Formerly The American Pad & Textile Co.) (It supersedes Approval No. 160.048/4/0 dated Aug. 30, 1966, to show change in name of manufacturer.)

Approval No. 160.048/5/1, special approval for 14" x 17" x 2" rectangular ribbed-type kapok buoyant cushions, 21-oz. kapok, dwg. No. C–31, dated September 15, 1965, and Bill of Materials dated December 29, 1965, manufactured by Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 7, 1967. (Formerly The American Pad & Textile Co.) (It supersedes Approval No. 160.-048/5/1 dated Jan. 14, 1966, to show change in name of manufacturer.)

Approval No. 160.048/206/0, group approval for rectangular and trapezoidal kapok buoyan cushions, U.S.C.G. Specification Subpart 160.048, sizes and weights of kapok filling to be as per Table 160.048–4(c)(1)(i), manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y. 11201, for Herter's Inc., Waseca, Minn. 56093, effective May 9, 1967. (It reinstates Approval No. 160.048/206/0 dated Aug. 22, 1961, terminated Aug. 22, 1966.)

BUOYANT CUSHIONS, UNICELLULAR PLASTIC FOAM

Approval No. 160.049/2/0, group approval for rectangular and trapezoidal unicellular plastic foam buoyant cushions U.S.C.G. Specification Subpart 160.049, sizes to be as per Table 160.049–4(c)(1), manufactured by Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 7, 1967. (Formerly The American Pad & Textile Co.) (Approved for use on motorboats of Classes A, 1, or 2 not carrying passengers for hire.) (It supersedes Approval No. 160.049/2/0 dated July 15, 1966, to show change in name of manufacturer.)

BUOYS, LIFE, RING, UNICELLULAR PLASTIC

Approval No. 160.050/12/3, 30-inch unicellular plastic ring life buoy, U.S.C.G. Specification Subpart 160.050 and American Pad & Textile Co., dwgs. No. 175–LA–3 revised December 26, 1963, or No. 175–LA–4, revised June 15, 1964, manufactured by Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 7, 1967. (Formerly The American Pad & Textile Co.) (Buoy bodies are made by B. F. Goodrich Co., Sponge Products Division, Shelton, Conn. 06852.) (It supersedes Approval No. 160.050/12/3 dated Dec. 11, 1964, to show change in name of manufacturer.)

Approval No. 160.050/13/3, 24-inch unicellular plastic ring life buoy, U.S.C.G. Specification Subpart 160.050 and American Pad & Textile Co. dwgs. No. 175–LA–3, revised December 26, 1963, or No. 175–LA–4, revised June 15, 1964, manufactured by Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 7, 1967. (Formerly the American Pad & Textile Co.) (Buoy bodies are made by B. F. Goodrich Co., Sponge Products Division, Shelton, Conn. 06852.) (It supersedes Approval No. 160.050/13/3 dated Dec. 11, 1964, to show change in name of manufacturer.)

Approval No. 160.050/14/3, 20-inch unicellular plastic ring life buoy, U.S.C.G. Specification Subpart 160.050 and American Pad & Textile Co., dwgs. No. 175–LA–3, revised December 26, 1963, or No. 175–LA–4, revised June 15, 1964, manufactured by Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 7, 1967. (Formerly The American Pad & Textile Co.) (Buoy bodies are made by B. F. Goodrich Co., Sponge Products Division, Shelton, Conn. 06852.) (It supersedes Approval No. 160.050/14/3 dated Dec. 11, 1964, to show change in name of manufacturer.)

Approval No. 160.050/26/0, 20-inch ring life buoy, fibrous glass reinforced plastic shell with unicellular plastic foam core, The Plasti-Kraft Corp. dwg., dated February 1, 1958, and revised specification, dated October 12, 1960, manufactured by The Plasti-Kraft Corp., Ozona Industrial Park, Ozona, Fla. 33560, for Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 7, 1967. (Formerly The American Pad & Textile Co.) (Approved as alternate construction to that provided by U.S.C.G. Specification Subpart 160.050.)

Approval No. 160.050/27/0, 24-inch ring life buoy, fibrous glass reinforced plastic shell with unicellular plastic foam core, The Plasti-Kraft Corp. dwg., dated February 1, 1958, and revised specification, dated October 12, 1960, manufactured by The Plastic-Kraft Corp., Ozona Industrial Park, Ozona, Fla. 33560, for Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 7, 1967. (Formerly The American Pad & Textile Co.) (Approved as alternate construction to that provided by U.S.C.G. Specification Subpart 160.050.) (It supersedes Approval No. 160.050/27/0 dated Oct. 11, 1963, to show change in name of manufacturer.)

Approval No. 160.050/28/0, 30-inch ring life buoy, fibrous glass reinforced plastic shell with unicellular plastic foam core, The Plasti-Kraft Corp. dwg., dated February 1, 1958, and revised specification, dated October 12, 1960, manufactured by The Plasti-Kraft Corp., Ozona Industrial Park, Ozona, Fla. 33560, for Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 7, 1967. (Formerly The American Pad & Textile Co.) (Approved for use on motorboats of Classes A, 1, or 2 not carrying passengers for hire.) (It supersedes Approval No. 160.050/28/0 dated Oct. 11, 1963, to show change in name of manufacturer.)

Approval No. 160.050/45/0, 30-inch unicellular plastic ring life buoy, U.S.C.G. Specification Subpart 160.050 and dwg. No. 8400/3/67, dated March 20, 1967, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y. 11201, effective May 3, 1967. (Buoy bodies are made by B. F. Goodrich Co., Sponge Products Division, Shelton, Conn.)

Approval No. 160.050/46/0, 24-inch unicellular plastic ring life buoy, U.S.C.G. Specification Subpart 160.050 and dwg. No. 8400/3/67, dated March 20, 1967, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y. 11201, effective May 3, 1967. (Buoy bodies are made by B. F. Goodrich Co., Sponge Products Division, Shelton, Conn.)

Approval No. 160.050/47/0, 20-inch unicellular plastic ring life buoy, U.S.C.G. Specification Subpart 160.050 and dwg. No. 8400/3/67, dated March 20, 1967, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y. 11201, effective May 3, 1967. (Buoy bodies are made by B. F. Goodrich Co., Sponge Products Division, Shelton, Conn.)

BUOYANT VESTS, UNICELLULAR PLASTIC FOAM, ADULT AND CHILD

NOTE: Approved for use on motorboats of Classes A, 1, or 2 not carrying passengers for hire.

Approval No. 160.052/119/1, Type II, Model 245, adult cloth-covered unicellular plastic foam buoyant vest, dwg. Nos. B–280–1, dated October 13, 1964, Rev., April 14, 1967; B–280–2, dated October 8, 1964; B–280–3, dated October 9, 1964; and B–280–5, dated October 13, 1964, manufactured by Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 20, 1967. (Formerly The American Pad & Textile Co.) (It supersedes Approval No. 160.052/119/0 dated Jan. 14, 1966, to show change in name of manufacturer and issue of new drawing numbers.)

Approval No. 160.052/120/1, Type II, Model 246–M, child medium cloth-covered unicellular plastic foam buoyant

vest, dwg. Nos. B–281–1 and B–281–2, dated October 14, 1964; B–281–3, dated October 15, 1964, Rev., April 14, 1967; and B–281–4, dated October 14, 1965, manufactured by Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 20, 1967. (Formerly The American Pad & Textile Co.) (It supersedes Approval No. 160.052/120/0 dated Jan. 14, 1966, to show change in name of manufacturer and issue of new drawing numbers.)

Approval No. 160.052/121/1, Type II, Model 246–S, child small cloth-covered unicellular plastic foam buoyant vest, dwg. Nos. B–281–1 and B–281–2, dated October 14, 1964; B–281–3, dated October 15, 1964, Rev., April 14, 1967; and B–281–4, dated October 14, 1965, manufactured by Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 20, 1967. (Formerly The American Pad & Textile Co.) (It supersedes Approval No. 160.052/121/0 dated Jan. 14, 1966, to show change in name of manufacturer and issue of new drawing numbers.)

Approval No. 160.052/180/1, Type II, Model 242, adult, unicellular plastic foam buoyant vest, Jones & Yandell dwg. JV–L No. 3, dated October 1, 1962, manufactured by Jones & Yandell Division, American Tent Co., Post Office Box 270, Canton, Miss. 39046, for Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 7, 1967. (Formerly The American Pad & Textile Co.) (It supersedes Approval No. 160.052/180/1 dated July 19, 1966, to show change in name of manufacturer.)

Approval No. 160.052/181/1, Type II, Model 244, child medium, unicellular plastic foam buoyant vest, Jones & Yandell dwg. JV–M No. 3, dated September 29, 1962, manufactured by Jones & Yandell Division, American Tent Co., Post Office Box 270, Canton, Miss. 39046, for Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 7, 1967. (Formerly The American Pad & Textile Co.) (It supersedes Approval No. 160.052/181/1 dated July 19, 1966, to show change in name of manufacturer.)

Approval No. 160.052/182/1, Type II, Model 244, child small, unicellular plastic foam buoyant vest, Jones & Yandell dwg. JV–S No. 3, dated September 29, 1962, maufactured by Jones & Yandell Division, American Tent Co., Post Office Box 270, Canton, Miss. 39046, for Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 7, 1967. (Formerly The American Pad & Textile Co.) (It supersedes Approval No. 160.052/182/1 dated July 19, 1966, to show change in name of manufacturer.)

Approval No. 160.052/344/0, Type II, Model 8241, adult, molded vinyl-dipped unicellular plastic foam buoyant vest, dwg. No. 8241/12/66, dated December 29, 1966, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y. 11201, effective January 26, 1967.

Approval No. 160.052/345/0, Type II, Model 8243, child medium, molded vinyl-dipped unicellular plastic foam buoyant vest, dwg. No. 8241/12/66, dated December 29, 1966, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y. 11201, effective January 26, 1967.

Approval No. 160.052/346/0, Type II, Model 8242, child small, molded vinyl-dipped unicellular plastic foam buoyant vest, dwg. No. 8241/12/66, dated December 29, 1966, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y. 11201, effective January 26, 1967.

Approval No. 160.052/347/0, Type II, Model LVCS–100, child small, molded vinyl-dipped unicellular plastic foam buoyant vest, dwg. No. 5623–BA, Revision 2, dated March 22, 1967, manufactured by Carlon Rubber Products Co., 1 New Haven Avenue, Derby, Conn. 06418, effective April 21, 1967.

Approval No. 160.052/348/0, Type II, Model LVCM–200, child medium, molded vinyl-dipped unicellular plastic foam buoyant vest, dwg. No. 5622–BA, revision 2, dated March 22, 1967, manufactured by Carlon Rubber Products Co., 1 New Haven Avenue, Derby, Conn. 06418, effective April 21, 1967.

Approval No. 160.052/349/0, Type II, Model LVA–300, adult, molded vinyl-dipped unicellular plastic foam buoyant vest, dwg. No. 5581–DA, Revision 2, dated March 22, 1967, manufactured by Carlon Rubber Products Co., 1 New Haven Avenue, Derby, Conn. 06418, effective April 21, 1967.

WORK VESTS, UNICELLULAR PLASTIC FOAM

Approval No. 160.053/4/1, Style Nos. 228 and 229, unicellular plastic foam, cloth-covered work vest, dwg. Nos. 282–1, 282–2, and 282–3, dated February 11, 1965, and Bill of Materials (sheets 1 to 4), dated February 11, 1965, manufactured by Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 7, 1967. (Formerly The American Pad & Textile Co.) (It supersedes Approval No. 160.053/4/1 dated Mar. 12, 1965, to show change in name of manufacturer.)

LIFE PRESERVERS, UNICELLULAR PLASTIC FOAM, ADULT AND CHILD

NOTE: Approved for use on all vessels and motorboats.

Approval No. 160.055/70/0, Type IB, Model 63, adult cloth-covered unicellular plastic foam life preserver, U.S.C.G. Specification Subpart 160.055 and dwg. No. 160.055–IB (sheet 1 & 2), manufactured by Style-Crafters, Inc., Post Office Box 8277, Greenville, S.C. 29604, effective April 10, 1967.

Approval No. 160.055/71/0, Type IB, Model 67, child cloth-covered unicellular plastic foam life preserver, U.S.C.G. Specification Subpart 160.055 and dwg. No. 160.055–IB (sheet 3 & 4), manufactured by Style-Crafters, Inc., Post Office Box 8277, Greenville, S.C. 29604, effective April 10, 1967.

Approval No. 160.055/74/0, Type IA, Model 62, adult vinyl dip coated unicellular plastic foam life preserver, U.S.C.G. Specification Subpart 160.055 and dwg. No. 160.055–IA (sheet 1), manufactured by Style-Crafters, Inc., Post Office Box 8277, Greenville, S.C. 29604, effective April 10, 1967.

Approval No. 160.055/75/0, Type IA, Model 66, child vinyl dip coated unicellular plastic foam life preserver, U.S.C.G. Specification Subpart 160.055 and dwg. No. 160.055–IA (sheet 2), manufactured by Style-Crafters, Inc., Post Office Box 8277, Greenville, S.C. 29604, effective April 10, 1967.

BUOYANT VESTS, UNICELLULAR POLYETHYLENE FOAM, ADULT AND CHILD

NOTE: Approved for use on motorboats of Classes A, 1, or 2 not carrying passengers for hire.

Approval No. 160.060/10/0, Type II, Model 247, adult cloth-covered polyethylene foam buoyant vest, dwg. Nos. B–280–1, dated October 13, 1964, Rev., April 14, 1967; B–280–3, dated October 9, 1964; B–280–4, dated February 1, 1965; and B–280–5, dated October 13, 1964, manufactured by Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 20, 1967. (Formerly The American Pad & Textile Co.) (It supersedes Approval No. 160.060/10/0 dated July 15, 1966, to show change in name of manufacturer.)

Approval No. 160.060/11/0, Type II, Model 248–M, child medium cloth-covered polyethylene foam buoyant vest, dwg. Nos. B–281–1, dated October 14, 1964; B–281–3, dated October 15, 1964, Rev., April 14, 1967; B–281–4, dated October 14, 1965; and B–281–5, dated February 1, 1965, manufactured by Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 20, 1967. (Formerly The American Pad & Textile Co.) (It supersedes Approval No. 160.060/11/0 dated July 15, 1966, to show change in name of manufacturer.)

Approval No. 160.060/12/0, Type II Model 248–S, child small cloth-covered polyethylene foam buoyant vest, dwg. Nos. B–281–1 dated October 14, 1964; B–281–3, dated October 15, 1964, Rev., April 14, 1967; B–281–4, dated October 14, 1965; and B–281–5, dated February 1, 1965, manufactured by Tapatco, Inc., Post Office Box 49, Fairfield, Calif. 94533, effective April 20, 1967. (Formerly The American Pad & Textile Co.) (It supersedes Approval No. 160.060/12/0 dated July 15, 1966, to show change in name of manufacturer.)

PROTECTING COVER FOR LIFEBOATS

Approval No. 160.065/6/0, "Robertson's Anti-Exposure Cover" Type I, protecting cover for the occupants of all types of aluminum, steel, and fibrous glass reinforced plastic (FRP) lifeboats, for lengths of 16' to 37' lifeboats, identified by general arrangement dwg. No. A-13325, Sheet 1 of 2, dated July 8, 1966, manufactured by A. L. Robertson, Inc., 325 South Kresson Street, Baltimore, Md. 21224, effective March 20, 1967. (Modifications to the cover and supports may be necessary in the case of some motor-propelled lifeboats equipped with vertical (dry) exhaust lines, radio cabins, and antenna masts.)

FIRE PROTECTIVE SYSTEMS

Approval No. 161.002/6/0, audible and visual, supervised, Type RB smoke detector systems, eight (8) through forty-eight (48) lines (Drawing No. SK–122753 wiring diagram marine smoke detector, and Drawing No. SK–134335 schematic marine smoke detector), identified by the following part numbers:

No. lines	Main cabinet	Repeater surface mounted	Repeater flush mounted
8	890704	890783	892190
12	890706	890785	892191
16	890708	890787	892192
20	890710	890789	892193
24	890712	890791	892194
28	890714	890793	892195
32	890716	890795	892196
36	890718	890797	892197
40	890720	890799	892198
44	890722	890771	892199
48	890724	890778	892200

Manufactured by Walter Kidde & Co., Inc., Belleville, N.J. 07109, effective April 19, 1967. (It is an extension of Approval No. 161.002/6/0 dated Apr. 23, 1962.)

FLASHLIGHTS, ELECTRIC, HAND

Approval No. 161.008/5/3, No. 1918 waterproof flashlight, Type I, size 2 (2-cell), identified by assembly dwg. No. 3F–1833–B, dated May 4, 1964, and revised, December 22, 1966, manufactured by Bright Star Industries, 600 Getty Avenue, Clifton, N.J. 07011, effective April 4, 1967. (Each flashlight shall be plainly marked with the name of the manufacturer and the above model number.) (It supersedes Approval No. 161.008/5/2 dated Jan. 26, 1965, to show plan updating.)

Approval No. 161.008/6/3, No. 1925 waterproof flashlight, Type I, size 3 (3-cell), identified by assembly dwg. No. 3F–1833–B, dated May 4, 1964, and revised, December 22, 1966, manufactured by Bright Star Industries, 600 Getty Avenue, Clifton, N.J. 07011, effective April 4, 1967. (Each flashlight shall be plainly marked with the name of the manufacturer and the above model number.) (It supersedes Approval No. 161.008/6/2 dated Jan. 26, 1965, to show plan updating.)

Approval No. 161.008/15/1, No. 2217, explosion-proof flashlight, Type II, size 2 (2-cell), identified by assembly dwg. No. 3F–1744–B, dated March 28, 1963, revised January 6, 1967, manufactured by Bright Star Industries, 600 Getty Avenue, Clifton, N.J. 07011, effective April 4, 1967. (Each flashlight shall be plainly marked with the name of the manufacturer and the above model number.) (It supersedes Approval No. 161.008/15/0 dated Jan. 6, 1965, to show plan updating.)

Approval No. 161.008/16/1, No. 2224, explosion-proof flashlight, Type II, size 3 (3-cell), identified by assembly dwg. No. 3F–1744–B, dated March 28, 1963, revised January 6, 1967, manufactured by Bright Star Industries, 600 Getty Avenue, Clifton, N.J. 07011, effective April 4, 1967. (Each flashlight shall be plainly marked with the name of the manufacturer and the above model number.) (It supersedes Approval No. 161.008/16/0 dated Jan. 6, 1965, to show plan updating.)

SAFETY VALVES (STEAM HEATING BOILERS)

Approval No. 162.012/8/0, Figure 629, pop safety valve, bronze body, for steam heating boilers and unfired steam generators dwg. No. S4785, dated February 27, 1952, approved for a maximum pressure of 30 p.s.i. in the following sizes:

Size (inches)	Capacity (pounds/hour)	
	At 15 p.s.i.	At 30 p.s.i.
¾	98	148
1	163	246
1¼	204	307
1½	294	443
2	457	686
2½	653	983
3	990	1,473

Manufactured by the Lukenheimer Co., Post Office Box 360, Annex Station, Cincinnati, Ohio 45214, effective May 3, 1967. (It is an extension of Approval No. 162.012/8/0, dated July 17, 1962.)

FLAME ARRESTERS FOR TANK VESSELS

Approval No. 162.016/8/0, Figure No. 50, Varec flame arrester, aluminum body, aluminum multiple plate bank, vertical type, flanged connections, fitted with extensible banks and removable cover plate, dwg. No. C–746, Alt. A, dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., Post Office Box 4429, 2820 North Alameda Street, Compton, Calif. 90222, effective April 28, 1967. (It is an extension of Approval No. 162.016/8/0 dated July 31, 1962.)

Approval No. 162.016/9/0, Figure 50A, aluminum body, aluminum multiple plate bank, vertical type, flanged connections, fitted with extensible banks and removable cover plate, Dwg. No. C–746, Alt. A, dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., Post Office Box 4429, 2820 North Alameda Street, Compton, Calif. 90222, effective April 28, 1967. (It is an extension of Approval No. 162.016/9/0 dated July 31, 1962.)

Approval No. 162.016/10/0, Figure No. 50ACU, Varec flame arrester, semisteel body, copper multiple plate bank, vertical type, flanged connections, fitted with extensible banks and removable cover plate, Dwg. No. C–746, Alt. A, dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., 2820 North Alameda Street, Compton, Calif. 90222, effective April 28, 1967. (It is an extension of Approval No. 162.016/10/0 dated July 31, 1962.)

Approval No. 162.016/11/0, Figure No. 50ABCU, Varec flame arrester, semisteel body, copper multiple plate bank, vertical type, female pipe threaded connections, fitted with extensible banks and removable cover plate, Dwg. No. C–746, Alt. A, dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., Post Office Box 4429, 2820 North Alameda Street, Compton, Calif. 90222, effective April 28, 1967. (It is an extension of Approval No. 162.016/11/0 dated July 31, 1962.)

Approval No. 162.016/12/0, Figure No. 50ACCU, Varec flame arrester, semisteel body, copper multiple plate bank, vertical type, flanged and screwed connections, fitted with extensible banks and removable cover plate, Dwg. No. C–746, Alt. A, dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., Post Office Box 4429, 2820 North Alameda Street, Compton, Calif. 90222, effective April 28, 1967. (It is an extension of Approval No. 162.016/12/0 dated July 31, 1962.)

Approval No. 162.016/13/0, Figure No. 50AN, Varec flame arrester, semisteel and aluminum body, aluminum multiple plate bank, vertical type, square flange connections, fitted with extensible banks and removable cover plate, Dwg. No. C–746, Alt. A, dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., Post Office Box 4429, 2820 North Alameda Street, Compton, Calif. 90222, effective April 28, 1967. (It is an extension of Approval No. 162.016/13/0 dated July 31, 1962.)

Approval No. 162.016/14/0, Figure No. 50B, Varec flame arrester, aluminum body, aluminum multiple plate bank, vertical type, female threaded connections, fitted with extensible banks and removable cover plate, Dwg. No. C–746, Alt. A, dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., Post Office Box 4429, 2820 North Alameda Street, Compton, Calif. 90222, effective April 28, 1967. (It is an extension of Approval No. 162.016/14/0 dated July 31, 1962.)

Approval No. 162.016/15/0, Figure No. 50C, Varec flame arrester, aluminum body, aluminum multiple plate bank, vertical type, flanged and screwed connections, fitted with extensible banks and removable cover plate, Dwg. No. C–746, Alt. A, dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., Post Office Box 4429, 2820 North Alameda Street, Compton, Calif. 90222, effective April 28, 1967. (It is an extension of Approval No. 162.016/15/0 dated July 31, 1962.)

Approval No. 162.016/16/0, Figure No. 50CU, Varec flame arrester, semisteel body, copper multiple plate bank, vertical type, flanged connections fitted with extensible banks and removable cover plate, Dwg. No. C–746, Alt. A, dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible

liquids of Grade A or lower, manufactured by Varec, Inc., Post Office Box 4429, 2820 North Alameda Street, Compton, Calif. 90222, effective April 28, 1967. (It is an extension of Approval No. 162.016/16/0 dated July 31, 1962.)

Approval No. 162.016/17/0, Figure No. 50S, Varec flame arrester, semisteel body, aluminum multiple plate bank, vertical type, flanged connections, fitted with extensible banks and removable cover plate, Dwg. No. C–746, Alt. A, dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., Post Office Box 4429, 2820 North Alameda Street, Compton, Calif. 90222, effective April 28, 1967. (It is an extension of Approval No. 162.016/17/0 dated July 31, 1962.)

Aproval No. 162.016/18/0, Figure No. 50SA, Varec flame arrester, semisteel body, small aluminum multiple plate bank, vertical type, flanged connections, fitted with extensible banks and removable cover plate, Dwg. No. C–746, Alt. A, dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., Post Office Box 4429, 2820 North Alameda Street, Compton, Calif. 90222, effective April 28, 1967. (It is an extension of Approval No. 162.016/18/0 dated July 31, 1962.)

Approval No. 162.016/19/0, Figure No. 50SG, Varec flame arrester, semisteel body, aluminum multiple plate bank, vertical type, flanged connection, fitted with extensible banks and removable cover plate, Dwg. No. C–746, Alt. A, dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., Post Office Box 4429, 2820 North Alameda Street, Compton, Calif. 90222, effective April 28, 1967. (It is an extension of Approval No. 162.016/9/0 dated July 31, 1962.)

Approval No. 162.016/20/0, Figure No. 50SB, Varec flame arrester, semisteel body, aluminum multiple plate bank, vertical type, threaded connections, fitted with extensible banks and removable cover plate, Dwg. No. C–746, Alt. A, dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., Post Office Box 4429, 2820 North Alameda Street, Compton, Calif. 90222, effective April 28, 1967. (It is an extension of Approval No. 162.016/20/0 dated July 31, 1962.)

Approval No. 162.016/21/0, Figure No. 50SC, Varec flame arrester, semisteel body, aluminum multiple plate bank, vertical type, flanged and screwed connections fitted with extensible banks and removable cover plate, Dwg. No. C–746, Alt. A, dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., Post Office Box 4429, 2820 North Alameda Street, Compton, Calif. 90222, effective April 28, 1967. (It is an extension of Approval No. 162.016/21/0 dated July 31, 1962.)

Approval No. 162.016/22/0, Figure No. 53, Varec flame arrester, aluminum body, aluminum multiple plate bank, horizontal type, flanged connections, fitted with extensible banks and removable cover plate, Dwg. No. C–749, Alt. A, dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., Post Office Box 4429, 2820 North Alameda Street, Compton, Calif. 90222, effective April 28, 1967. (It is an extension of Approval No. 162.016/22/0 dated July 31, 1962.)

Approval No. 162.016/23/0, Figure No. 53A, Varec flame arrester, aluminum body, aluminum multiple plate bank, horizontal type, flanged connections, fitted with extensible banks and removable cover plate, Dwg. No. C–749, Alt. A, dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., Post Office Box 4429, 2820 North Alameda Street, Compton, Calif. 90222, effective April 28, 1967. (It is an extension of Approval No. 162.016/23/0 dated July 31, 1962.)

Approval No. 162.016/24/0, Figure No. 53B, Varec flame arrester, aluminum body, aluminum multiple plate bank, horizontal type, screwed connections, fitted with extensible banks and removable cover plate, Dwg. No. C–749, Alt. A, dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., Post Office Box 4429, 2820 North Alameda Street, Compton, Calif. 90222, effective April 28, 1967. (It is an extension of Approval No. 162.016/24/0 dated July 31, 1962.)

Approval No. 162.016/25/0, Figure No. 53C, Varec flame arrester, aluminum body, aluminum multiple plate bank, horizontal type, flanged and screwed connections, fitted with extensible banks and removable cover plate, Dwg. No. C–749, Alt. A, dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., Post Office Box 4429, 2820 North Alameda Street, Compton, Calif. 90222, effective April 28, 1967. (It is an extension of Approval No. 162.016/25/0 dated July 31, 1962.)

Approval No. 162.016/26/0, Figure No. 53S, Varec flame arrester, semisteel body, aluminum multiple plate bank, horizontal type, flanged connections, fitted with extensible banks and removable cover plate, Dwg. No. C–749, Alt. A, dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., Post Office Box 4429, 2820 North Alameda Street, Compton, Calif. 90222, effective April 28, 1967. (It is an extension of Approval No. 162.016/26/0 dated July 31, 1962.)

Approval No. 162.016/27/0, Figure No. 53SA, Varec flame arrester, semisteel body, aluminum multiple plate bank, horizontal type, flanged connections, fitted with extensible banks and removable cover plate, Dwg. No. C–749, Alt. A, dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., Post Office Box 4429, 2820 North Alameda Street, Compton, Calif. 90222, effective April 28, 1967. (It is an extension of Approval No. 162.016/27/0 dated July 31, 1962.)

Approval No. 162.016/28/0, Figure No. 53SD, Varec flame arrester, semisteel body, aluminum multiple plate bank, horizontal type, screwed connections, fitted with extensible banks and removable cover plate, Dwg. No. C–749, Alt. A, dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., Post Office Box 4429, 2820 North Alameda Street, Compton, Calif. 90222, effective April 28, 1967. (It is an extension of Approval No. 162.016/28/0 dated July 31, 1962.)

Approval No. 162.016/29/0, Figure No. 53SC, Varec flame arrester, semisteel body, aluminum multiple plate bank, horizontal type, flanged and screwed connections, fitted with extensible banks and removable cover plate, Dwg. No. C–749, Alt. A, dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., Post Office Box 4429, 2820 North Alameda Street, Compton, Calif. 90222, effective April 28, 1967. (It is an extension of Approval No. 162.016/29/0 dated July 31, 1962.)

SAFETY RELIEF VALVES, LIQUEFIED COMPRESSED GAS

Approval No. 162.018/63/0, Lonergan Model D–20R, safety relief valve, 6" inlet 300# ASA, 8" outlet 150# ASA, manufactured by J. E. Lonergan Co., Post Office Box 6167, Philadelphia, Pa. 19115, effective April 18, 1967. (Orifice size "R".)

BOILERS, AUXILIARY, AUTOMATICALLY CONTROLLED, PACKAGED

Approval No. 162.026/11/0, Johnston Bros. Catalog No. 298–25, light oil fired (fuel no heavier than std. No. 2, gravity 30–48 API at 60° F.), boiler horsepower 25 max., shell dia. 40 inches, steam output 860 lbs./hr. maximum allowable pressure 50 p.s.i., manufactured by Johnston Bros., Inc., Ferrysburg, Mich. 49409, effective May 4, 1967. (Plans approved Feb. 6, 1967.)

BACKFIRE FLAME CONTROL, GASOLINE ENGINES; FLAME ARRESTERS, FOR MERCHANT VESSELS AND MOTORBOATS

Approval No. 162.041/97/0, Barbron Model No. 400–19, backfire flame arrester for gasoline engines, dwg. No. A–5539, dated March 20, 1967, manufactured by Barbron Corp., 14580 Lesure Avenue, Detroit, Mich. 48227, effective March 29,

1967. (Identical with 162.041/2/0 except for base mounting flange.)

Approval No. 162.041/98/0, Bendix Model B175–42, backfire flame arrester, manufactured by Bendix Corp., Zenith Carburetor Division, 696 Hart Avenue, Detroit, Mich. 48214, effective April 3, 1967. (Alternate materials list includes: Flange 0.040 SAE 3003H14 alum alloy; elements 0.010 SAE 3003H14; 5/16 SAE 6061 alum rivets; 0.040 SAE 3003 H14 alum cover plates; modification of previously tested design.)

Approval No. 162.041/99/0, Onan Model 145B393, backfire flame arrester for gasoline engines, with the following major components:

Resonator.	Flame Arrester Tube Assembly.
Disc Assembly.	
Adapter Assembly.	Spacer - Resonator Adapter.

Manufactured by Onan Division, Studebaker Corp., 2515 University Avenue SE., Minneapolis, Minn. 55414, effective April 18, 1967. (Minor modification to Model 145B354, Certificate of Approval 162.041/16/0 to fit Zenith 1408 carburetor.)

Approval No. 162.041/100/0, Onan Model 145B386, backfire flame arrester for gasoline engines, with the following major components:

Resonator.	Flame Arrester Tube Assembly.
Disc Assembly.	
Adapter Assembly.	Spacer - Resonator Adapter.

Manufactured by Onan Division, Studebaker Corp., 2515 University Avenue SE., Minneapolis, Minn. 55414, effective April 18, 1967. (Minor modification to Model 145B354, Certificate of Approval 162.041/16/0 to fit Walbro carburetor.)

DECK COVERINGS

Approval No. 164.006/2/0, SELBALITH magnesite type deck covering identical to that described in National Bureau of Standards Test Report No. TG–3610–1215 : FR1779, dated July 2, 1940, approved for use without other insulating material as meeting Class A–60 requirements in a 1½-inch thickness, manufactured by Selby, Battersby & Co., 5220 Whitby Avenue, Philadelphia, Pa. 19143, effective April 26, 1967. (It is an extension of Approval No. 164.006/2/0 dated July 31, 1962.)

Approval No. 164.006/9/0, RAECOLITH magnesite type deck covering identical to that described in National Bureau of Standards Test Report No. TP 367–76:FR 1866, dated August 9, 1941, approved for use without other insulating material as meeting Class A–60 requirements in a 1¾-inch thickness, manufactured by Raecolith Flooring Co., 5622 Corson Avenue, Seattle, Wash. 98108, effective May 2, 1967. (It is an extension of Approval No. 164.006/9/0 dated July 31, 1962.)

Approval No. 164.006/15/0, MOULSTONE magnesite type deck covering identical to that described in National Bureau of Standards Test Report No. TP 367–85:FR 1957, dated April 14, 1942, approved for use without other insulating material as meeting Class A–60 requirements in a 1½-inch thickness, manufactured by Thos. Moulding Floor Co., Inc., 2519 West Peterson, Chicago, Ill. 60645, effective April 28, 1967. (It is an extension of Approval No. 164.006/15/0 dated July 31, 1962, and change of address of manufacturer.)

Approval No. 164.006/23/0, DEX-O-TEX MAGNABOND No. 1 composite mastic and magnesite type deck covering identical to that described in National Bureau of Standards Test Report No. TP 367–116:FR 2395, dated July 11, 1945, approved for use without other insulating material as meeting Class A–15 requirements in the thickness of DEX-O-TEX Subkote No. 1 underlay one-half inch, plus magnesite overlay three-eighth inch, manufactured by Crossfield Products Corp., 140 Valley Road, Roselle Park, N.J. 07204, effective May 5, 1967. (It is an extension of Approval No. 164.006/23/0 dated July 31, 1962.)

STRUCTURAL INSULATIONS

Approval No. 164.007/1/0, "48" C. G. Felt, mineral wool type structural insulation identical to that described in National Bureau of Standards Test Report No. TG 3610–1372:FR–2235 dated April 1, 1944, bats and blankets approved for use without other insulating material to meet Class A–60 requirements in thickness and densities as follows:

3 inches at 8 pounds per cubic foot density.
4 inches at 6 pounds per cubic foot density.

Manufactured by Forty-Eight Insulations, Inc., Aurora, Ill. 60504, effective April 25, 1967. (It is an extension of Approval No. 164.007/1/0 dated July 31, 1962.)

Approval No. 164.007/6/1, "BX Spintex," mineral wool type structural insulation identical to that described in National Bureau of Standards Test Report No. TG–3619–36:FR–1404, dated May 17, 1939, and TG–10230–28:FR–3660, dated January 20, 1966, bats and blankets approved for use without other insulating material to meet Class A–60 requirements in a 3-inch thickness at 8 pounds per cubic foot density, and a 4-inch thickness at 6 pounds per cubic foot density, manufactured by Johns-Manville Sales Corp., 22 East 40th Street, New York, N.Y. 10016, effective April 3, 1967. (Formerly J–M BX–4M.) (It is an extension of Approval No. 164.007/6/1 dated June 14, 1962.)

Approval No. 164.007/7/1, "No. 450 Cement," mineral wool cement type structural insulation identical to that described in National Bureau of Standards Test Report No. TG–3619B:FR–1466B, dated July 7, 1939, approved for use without other insulating material to meet Class A–60 requirements in a 3½-inch thickness and 30 pounds per cubic foot density, manufactured by Johns-Manville Sales Corp., 22 East 40th Street, New York, N.Y. 10016, effective May 3, 1967. (Formerly J–M No. 450 Cement.) (It is an extension of Approval No. 164.007/7/1 dated June 14, 1962.)

Approval No. 164.007/9/1, "Banroc 202AA," mineral wool type structural insulation identical to that described in National Bureau of Standards Test Report No. TG–3619–36:FR–1404, dated May 17, 1939, blankets with asbestos paper facings approved for use without other insulating materials to meet Class A–60 requirements in a 3-inch thickness and 16 pounds per cubic foot density, manufactured by Johns-Manville Sales Corp., 22 East 40th Street, New York, N.Y. 10016, effective May 3, 1967. (Formerly J–M 202AA.) (It is an extension of Approval No. 164.007/9/1 dated June 14, 1962.)

Approval No. 164.007/18/0, "B-E-H 6-pound felt", mineral wool type structural insulation identical to that described in National Bureau of Standards letter, File III–6/26, dated July 16, 1943, approved for use without other insulating material to meet Class A–60 requirements in a 4-inch thickness and 6 pounds per cubic foot density, manufactured by Baldwin-Ehret-Hill, Inc., 500 Breunig Avenue, Trenton, N.J. 08638, effective April 28, 1967. (It is an extension of Approval No. 164.007/18/0 dated July 31, 1962.)

Approval No. 164.007/19/0, "B-E-H loose wool", mineral wool type structural insulation identical to that described in National Bureau of Standards letter, File III–6/36, dated July 16, 1943, approved for use without other insulating material to meet Class A–60 requirements in a 3-inch thickness and 11 pounds per cubic foot density, manufactured by Baldwin-Ehret-Hill, Inc., 500 Breunig Avenue, Trenton, N.J. 08638, effective April 28, 1967. (It is an extension of Approval No. 164.007/19/0 dated July 31, 1962.)

INCOMBUSTIBLE MATERIALS

Approval No. 164.009/7/0, gold bond A-C board, asbestos cement board type incombustible material identical to that described in National Gypsum Co. letter, dated June 4, 1943, manufactured by National Gypsum Co., Buffalo, N.Y. 14202, effective May 2, 1967. (It is an extension of Approval No. 164.009/7/0 dated July 31, 1962.)

Approval No. 164.009/97/0, "J-M Foil-Faced Marine BX Spintex Duct Insulation", aluminum faced mineral wool type incombustible material identical to that described in National Bureau of Standards Test Report No. TG10210–214: FR 3678, dated March 1, 1967, and Commandant (MMT–3) letter, dated March 9, 1967, approved in a density of 3.25 through 6 pounds per cubic foot, manufactured by Johns-Manville Sales Corp., 22 East 40th Street, New York, N.Y. 10016, effective April 13, 1967. (Plant: Richmond, Ind.) (It supersedes Approval No. 164.009/97/0 dated Mar. 9, 1967 to show correction in density range.)

Approval No. 164.009/99/0, "Incombustible Marine Board Type I", acrylic finished fibrous glass cloth faced fibrous glass type incombustible material identical to that described in National Bureau of Standards Test Report No. TG10210–2144: FR 3681, dated April 3, 1967, and Owens-Corning Fiberglas Corp. letter, dated March 10, 1967, approved for 1" through 2" thickness with the basic fibrous glass insulation material in a nominal 3.25 pounds per cubic foot density, manufactured by Owens-Corning Fiberglas Corp., Toledo, Ohio 43601, effective April 20, 1967.

PART II—TERMINATIONS OF APPROVAL OF EQUIPMENT, INSTALLATIONS, OR MATERIALS

LIFE PRESERVERS, KAPOK, ADULT AND CHILD (JACKET TYPE) MODELS 3 AND 5

The Burlington Mills, Inc., Burlington, Wis., and Post Office Box 360, Cadiz, Ky., no longer manufacture certain kapok life preservers and therefore Approval Nos. 160.002/76/0 and 160.002/77/0 are terminated, effective April 5, 1967.

The Trigg Manufacturing Corp., Post Office Box 360, Cadiz, Ky., no longer manufacture certain kapok life preservers and therefore Approval Nos. 160.002/104/0 and 160.002/105/0 are terminated, effective April 5, 1967.

The Herter's, Inc., Waseca, Minn. 56093, no longer manufacture certain kapok life preservers and therefore Approval Nos. 160.002/106/0 and 160.002/107/0 are terminated, effective April 5, 1967.

BUOYS, LIFE, RING, CORK OR BALSA WOOD

The American Pad & Textile Co., 511 North Solomon Street, New Orleans 19, La., no longer manufacture certain life buoys and therefore Approval Nos. 160.009/1/0, 160.009/2/0, 160.009/3/0, 160.009/4/0, and 160.009/5/0 are terminated, effective April 25, 1967.

SEA ANCHORS, LIFEBOAT

The American Pad & Textile Co., 511 North Solomon Street, New Orleans 19, La., no longer manufactures a particular sea anchor and therefore Approval No. 160.019/4/0 is terminated, effective April 25, 1967.

LIFEFLOATS

The American Pad & Textile Co., 511 North Solomon Street, New Orleans 19, La., no longer manufacture certain lifefloats and therefore Approval Nos. 160.027/55/1 and 160.027/56/1 are terminated, effective April 25, 1967.

LIFEBOATS

The Frank Morrison & Son Co., 1330 West 11th Street, Cleveland, Ohio, Approval Nos. 160.035/121/2 and 160.035/126/2 for certain lifeboats have expired and are terminated, effective April 10, 1967.

The C. C. Galbraith & Son, Inc., 99 Park Place, New York 7, N.Y., Approval No. 160.035/295/0 for a particular lifeboat has expired and is terminated, effective January 30, 1967.

BUOYANT VESTS, KAPOK OR FIBROUS GLASS, ADULT AND CHILD

NOTE: Approved for use on motorboats of Classes A, 1, or 2 not carrying passengers for hire.

The Burlington Mills, Inc., Burlington, Wis., and Post Office Box 360, Cadiz, Ky., no longer manufacture certain kapok buoyant vests and therefore Approval Nos. 160.047/336/0, 160.047/337/0, and 160.047/338/0 are terminated, effective April 5, 1967.

The Trigg Manufacturing Corp., Post Office Box 360, Cadiz, Ky., no longer manufacture certain kapok buoyant vests and therefore Approval Nos. 160.047/577/0, 160.047/578/0, and 160.047/579/0 are terminated, effective April 5, 1967.

The Herter's, Inc., Waseca, Minn. 56093, no longer manufacture certain kapok buoyant vests and therefore Approval Nos. 160.047/592/0, 160.047/593/0, and 160.047/594/0 are terminated, effective April 5, 1967.

BUOYANT CUSHIONS, KAPOK OR FIBROUS GLASS

NOTE: Approved for use on motorboats of Classes A, 1 or 2 not carrying passengers for hire.

The Burlington Mills, Inc., Burlington, Wis., and Post Office Box 360, Cadiz, Ky., no longer manufacture a particular kapok buoyant cushion and therefore Approval No. 160.048/100/0 is terminated, effective April 5, 1967.

The Trigg Manufacturing Corp., Post Office Box 360, Cadiz, Ky., no longer manufacture a particular kapok buoyant cushion and therefore Approval No. 160.048/235/0 is terminated, effective April 5, 1967.

The Herter's, Inc., Waseca, Minn. 56093, no longer manufacture a particular kapok buoyant cushion and therefore Approval No. 160.048/242/0 is terminated, effective April 5, 1967.

The Geneva Upholstering Co., Lake Geneva, Wis., no longer manufacture a particular kapok buoyant cushion and therefore Approval No. 160.048/74/0 is terminated, effective April 10, 1967.

The Liberty Cork Co., 123 Whitehead Avenue, South River, N.J., Approval No. 160.048/88/0 for a particular kapok buoyant cushion has expired and is terminated, effective April 10, 1967.

The Montgomery Ward & Co., Inc., 619 West Chicago Avenue, Chicago 7, Ill., Approval No. 160.048/89/0 for a particular kapok buoyant cushion has expired and is terminated, effective April 10, 1967.

The Trimco, Holiday Harbor, Celoron, N.Y., Approval Nos. 160.048/90/0 and 160.048/91/0 for certain kapok buoyant cushions have expired and are terminated, effective April 10, 1967.

The See Bentz & Sons Upholstering, 111 Fifth Street, Watertown, Wis., no longer manufacture a particular kapok buoyant cushion and therefore Approval No. 160.048/96/0 is terminated, effective April 10, 1967.

BUOYANT CUSHIONS, UNICELLULAR PLASTIC FOAM

NOTE: Approved for use on motorboats of Classes A, 1, or 2 not carrying passengers for hire.

The Canvas Specialty Manufacturing Co., 7344 East Bandini Boulevard, Los Angeles 22, Calif., Approval No. 160.049/45/0 for a particular unicellular plastic foam buoyant cushion has expired and is terminated, effective April 16, 1967.

The Burlington Mills, Inc., Burlington, Wis., no longer manufactures a particular unicellular plastic foam buoyant cushion and therefore Approval No. 160.049/48/0 is terminated, effective April 5, 1967.

BUOYANT VESTS, UNICELLULAR PLASTIC FOAM, ADULT AND CHILD

NOTE: Approved for use on motorboats of Classes A, 1, or 2 not carrying passengers for hire.

The Burlington Mills, Inc., Burlington, Wis. 53105, and Cadiz, Ky., no longer manufacture certain plastic foam buoyant vests and therefore Approval Nos. 160.052/110/1, 160.052/111/1, 160.052/112/1, 160.052/202/0, 160.052/203/0, and 160.052/204/0 are terminated, effective April 5, 1967.

The American Pad & Textile Co., Post Office Box 49, Fairfield, Calif. 94534, Approval Nos. 160.052/289/0, 160.052/290/0, and 160.052/291/0 for certain unicellular plastic foam buoyant vests are terminated, effective April 11, 1967.

The Trigg Manufacturing Corp., Post Office Box 360, Cadiz, Ky., no longer manufacture certain plastic foam buoyant vests and therefore Approval Nos. 160.052/337/0, 160.052/338/0, and 160.052/339/0 are terminated, effective April 5, 1967.

WORKS VESTS, UNICELLULAR PLASTIC FOAM

The Burlington Mills, Inc., Burlington, Wis. 53105, and Cadiz, Ky., no longer manufactures a particular plastic work vest and therefore Approval No. 160.053/1/0 is terminated, effective April 5, 1967.

The Trigg Manufacturing Corp., Post Office Box 360, Cadiz, Ky., no longer manufacture a particular plastic foam work vest and therefore Approval No. 160.053/22/0 is terminated, effective April 5, 1967.

LIFE PRESERVERS, UNICELLULAR PLASTIC FOAM ADULT AND CHILD

The Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn 1, N.Y., Approval Nos. 160.055/14/1, 160.055/15/1, 160.055/18/0, and 160.055/19/0 for certain plastic foam life preservers have terminated due to change in specifications, effective April 4, 1967.

The American Pad & Textile Co., 6230 Bienvenue Street, New Orleans, La. 70117 and Fairfield, Calif., Approval Nos. 160.055/16/0 and 160.055/17/0 for certain plastic foam life preservers have terminated due to change in specifications, effective April 4, 1967.

The International Cushion Co. 1110 Northeast Eighth Avenue, Fort Lauderdale, Fla. 33311, Approval Nos. 160.055/24/0 and 160.055/25/0 for certain plastic foam life preservers have terminated due to change in specifications, effective April 4, 1967.

STRUCTURAL INSULATION

The Bird-Archer Co., 4337 North American Street, Philadelphia 40, Pa., no longer manufactures a particular plaster type structural insulation and therefore Approval No. 164.007/11/0 is terminated, effective March 27, 1967.

BULKHEAD PANELS

The Turners Asbestos Cement Co., Ltd., Trafford Park, Manchester 17, England, Approval Nos. 164.008/48/0 and

164.008/49/0 for certain asbestos cement board type bulkhead panels have expired and are terminated, effective February 26, 1967.

Dated: August 18, 1967.

P. E. TRIMBLE,
Vice Admiral U.S. Coast Guard
Acting Commandant.

[F.R. Doc. 67-10121; Filed, Aug. 28, 1967; 8:48 a.m.]

Federal Highway Administration

[Docket No. 20]

REGROOVED TIRES

Notice of Extension of Time To File Comments

On August 10, 1967, there was published in the FEDERAL REGISTER (32 F.R. 11579) a notice (1) giving the opportunity to present views, information, and data as to why the Secretary of Transportation should not seek an injunction to restrain the sale or introduction into interstate commerce of any tire or motor vehicle equipped with any tire that has been regrooved; and (2) giving the opportunity to supply information and data which would form the basis for a request to the Secretary to permit the sale of regrooved tires pursuant to section 204(a) of the National Traffic and Motor Vehicle Safety Act of 1966.

Upon consideration of various requests to extend the time to file comments beyond August 31, 1967, the time to file such comments is hereby extended 30 days to close of business October 2, 1967.

Issued in Washington, D.C., on August 23, 1967.

LOWELL K. BRIDWELL,
Federal Highway Administrator.

[F.R. Doc. 67-10107; Filed, Aug. 28, 1967; 8:47 a.m.]

INTERAGENCY TEXTILE ADMINISTRATIVE COMMITTEE

CERTAIN COTTON TEXTILES AND COTTON TEXTILE PRODUCTS PRODUCED OR MANUFACTURED IN THE REPUBLIC OF CHINA

Entry or Withdrawal From Warehouse for Consumption

AUGUST 23, 1967.

On April 22, 1966, the Government of the United States, in furtherance of the objectives of and under the terms of the Long Term Arrangement Regarding International Trade in Cotton Textiles done at Geneva on February 9, 1962, concluded an agreement with the Government of the Republic of China amending the bilateral agreement of October 19, 1963, concerning exports of cotton textiles and cotton textile products from the Republic of China to the United States. As amended, the agreement provides annual limitations on exports of all cotton textiles and cotton textile products from the Republic of China to the United States for the successive 12-month periods beginning October 1, 1965, and extending through September 30, 1967.

Entries into the United States for consumption and withdrawals from warehouse for consumption of cotton textiles and cotton textile products in Categories 34, 45, and 62, produced or manufactured in the Republic of China and exported to the United States on or after October 1, 1966, have exceeded the amounts provided for in the agreement.

Accordingly, there is published below a letter of August 22, 1967, from the Chairman of the President's Cabinet Textile Advisory Committee to the Commissioner of Customs directing that as soon as possible and for the period extending through September 30, 1967, entry into the United States for consumption and withdrawal from warehouse for consumption of cotton textiles and cotton textile products in Categories 34, 45, and 62, produced or manufactured in the Republic of China and exported to the United States on or after October 1, 1966, be prohibited.

The directive is temporary in nature, and the entry of these Categories from the Republic of China is expected to be the subject of a further directive at the conclusion of consultations now in progress with the Government of the Republic of China concerning the possible further amendment, or the replacement of the bilateral agreement now in force between the Governments of the United States and the Republic of China. Such consultations include the entry of goods affected by this directive.

STANLEY NEHMER,
Chairman, Interagency Textile Administrative Committee, and Deputy Assistant Secretary for Resources.

THE SECRETARY OF COMMERCE
PRESIDENT'S CABINET TEXTILE ADVISORY COMMITTEE

WASHINGTON, D.C. 20230,
August 22, 1967.

COMMISSIONER OF CUSTOMS,
Department of the Treasury,
Washington, D.C. 20226

DEAR MR. COMMISSIONER: Under the terms of the Long-Term Arrangement Regarding International Trade in Cotton Textiles done at Geneva on February 9, 1962, pursuant to the bilateral cotton textile agreement of October 19, 1963, as amended on April 22, 1966, between the Governments of the United States and the Republic of China, and in accordance with the procedures outlined in Executive Order 11052 of September 28, 1962, as amended by Executive Order 11214 of April 7, 1965, you are directed, effective as soon as possible and for the period extending through September 30, 1967, to prohibit entry into the United States for consumption and withdrawal from warehouse for consumption of any cotton textiles and cotton textile products in Categories 34, 45, and 62, produced or manufactured in the Republic of China and which have been exported to the United States on or after October 1, 1966.

The foregoing directive is temporary in nature, and the entry of these categories from the Republic of China is expected to be the subject of a further directive to you pending the conclusion of consultations now in progress with the Government of the Republic of China concerning the possible further amendment, or replacement of the bilateral agreement now in force between the Governments of the United States and the Republic of China.

A detailed description of categories in terms of T.S.U.S.A. numbers was published in the FEDERAL REGISTER on July 7, 1966 (31 F.R. 9310).

In carrying out the above directions, entry into the United States for consumption shall be construed to include entry for consumption into the Commonwealth of Puerto Rico.

The actions taken with respect to the Government of the Republic of China and with respect to imports of cotton textiles and cotton textile products from the Republic of China have been determined by the President's Cabinet Textile Advisory Committee to involve foreign affairs functions of the United States. Therefore, the directions to the Commissioner of Customs, being necessary to the implementation of such actions, fall within the foreign affairs exception to the notice provisions of 5 U.S.C. 553. This letter will be published in the FEDERAL REGISTER.

Sincerely yours,

A. B. TROWBRIDGE,
Secretary of Commerce, Chairman, President's Cabinet Textile Advisory Committee.

[F.R. Doc. 67-10092; Filed, Aug. 28, 1967; 8:46 a.m.]

SECURITIES AND EXCHANGE COMMISSION

CODITRON CORP.

Order Suspending Trading

AUGUST 23, 1967.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock, $3 par value, of Coditron Corp., New York, N.Y., otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to section 15(c)(5) of the Securities Exchange Act of 1934, that trading in such securities otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period August 24, 1967, through September 2, 1967.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 67-10097; Filed, Aug. 28, 1967; 8:46 a.m.]

SUBSCRIPTION TELEVISION, INC.

Order Suspending Trading

AUGUST 23, 1967.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock, $1 par value of Subscription Television, Inc., New York, N.Y., being traded otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to section 15(c)(5) of the Securities Exchange Act of 1934, that trading in such securities otherwise than on a national securities exchange be summarily suspended, this

order to be effective for the period August 24, 1967, through September 2, 1967, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 67-10098; Filed, Aug. 28, 1967; 8:46 a.m.]

[70-4435]

VERMONT YANKEE NUCLEAR POWER CORP.

Order Directing the Filing of Documents and Briefs, and Oral Argument

AUGUST 23, 1967.

An amended application has been filed in this proceeding by Vermont Yankee Nuclear Power Corp. ("Vermont Yankee"), Rutland, Vt., and seven of its 10 sponsor-companies (collectively referred to as "Applicant companies"), under sections 6(b) and 10 of the Public Utility Holding Company Act of 1935 ("Act"), regarding the initial financing by Vermont Yankee of its proposed nuclear-powered electric generating plant through the issue of 100,000 shares of common stock, $100 par value per share, to its ten sponsor companies, in specified percentages, and by agreement, upon completion of the nuclear generating facilities each of the sponsors will purchase a like percentage of the total capacity and output of these generating facilities. The ten sponsor companies are electric-utility companies operating in the New England area, five of which are subsidiary companies of registered holding companies.

The proposed initial issue of 100,000 shares by Vermont Yankee is subject to section 6(b) of the Act; and the proposed acquisitions of the Vermont Yankee common stock by seven of the sponsor companies require Commission approval under section 10 of the Act. The acquisitions by the other three sponsor companies are not subject to the Act.

The notice of filing was issued on February 1, 1967 (Holding Company Act Release No. 15652), affording all interested persons not later than February 20, 1967, an opportunity to participate and to request a hearing on the application. On February 20, 1967, the Municipal Electric Association of Massachusetts ("Association"), on behalf of itself and its members, the city of Chicopee, Mass., and the Chicopee Municipal Lighting Plant, the town of Shrewsbury, Mass., and the Shrewsbury Electric Light Plant, and the town of Wakefield, Mass., and the Wakefield Municipal Light Department (collectively referred to as the "Applicant-intervenors") filed a "Notice of Appearance, Application for Intervention, and Request for Hearing."

The Applicant-intervenors allege generally that the proposed transactions are (a) detrimental to the public interest or the interest of investors and consumers, (b) not tending towards the economical and efficient development of an integrated public utility system, and (c) a restraint of trade in violation of the antitrust laws, the Federal Power Act, the Atomic Energy Act of 1954, and the Holding Company Act of 1935. In the application filed by the Applicant-intervenors it is requested that:

> * * * any Commission approvals or other actions be conditioned upon Vermont Yankee making available to each of the municipal electric utilities in Massachusetts a realistic opportunity to purchase stock and power output, and arrange for transmission thereof, on the same or equivalent basis as it is proposed to do these things for sponsor companies, giving effect as may be necessary to any differences in legal powers between the municipals and the sponsor companies. It is believed that a hearing may be necessary for this purpose, and for the purpose of establishing on the record the prices as estimated or agreed upon among the sponsor companies, although the Commission may have authority to fix satisfactory conditions without a hearing * * *.

In response thereto, the Applicant companies, on February 27, 1967, filed a "Motion To Strike Appearances, Applications for Intervention and Request for Hearing," with a brief in support thereof.

The Applicant-interveners subsequently filed, on June 2, 1967, a "Motion To Extend Time for Answering Brief" (to the motion to strike) and an answering brief therewith. Thereafter, on July 10, 1967, the Applicant companies filed motions pursuant to Rules 2(d) and 7 of the Commission's rules of practice to require counsel to file in this proceeding powers of attorney, and certain other documents and statements relative to the status and interest of the Applicant-intervenors in this proceeding and the conditions they propose to have included in any order of the Commission approving the transactions involved herein. A reply to these motions was filed on July 24, 1967, by the Applicant-intervenors.

The Commission deems it appropriate that, in the interest of orderly procedure, the application for intervention and request for hearing and the opposition thereto be considered on briefs and oral argument. For that purpose it is necessary that the record in this proceeding be supplemented in some particular respects, as indicated hereinafter.

It is ordered, Therefore, that Applicant-intervenors or their counsel, as the case may be, file in this proceeding on or before September 5, 1967, each of the following:

(a) Written powers of attorney authorizing counsel to appear in this proceeding on behalf of Applicant-intervenors and any other Massachusetts municipality;

(b) The constitution and bylaws of the Association and any other documents deemed relevant to the Association's interest in this proceeding;

(c) A statement on behalf of each of the cities of Chicopee, Wakefield, and Shrewsbury and their respective electric utility departments indicating their authorization, by resolution or otherwise, to intervene for the purposes set forth in their application for intervention and request for hearing;

(d) A statement identifying which, if any, electric utility companies, including the Applicant companies, provide electric service to customers within the municipal service areas of any of the Applicant-intervenors.

It is further ordered, That on or before September 5, 1967, the Applicant-intervenors shall file a brief in this proceeding in support of their application for intervention and request for a hearing and for the relief sought herein. Such brief also shall, among other things, address itself to each of the following:

(a) The applicability to the transactions proposed herein of any specific provisions of the Federal Power Act, the Atomic Energy Act of 1954, and the Federal antitrust laws, and this Commission's jurisdiction to consider and apply such provisions in a proceeding under the Holding Company Act of 1935;

(b) The grounds, either in law or in fact, upon which the Applicant-intervenors claim that the proposed initial acquisitions of the stock of Vermont Yankee do not satisfy section 10(c)(2) of the Act. In this connection Applicant-intervenors may submit a separate statement specifying any issues of fact they desire to controvert, as required by the notice of filing in this proceeding;

(c) The grounds, either in law or in fact, upon which the Applicant-intervenors claims that the proposed initial acquisitions of the stock of Vermont Yankee cannot be approved by reason of section 10(b)(1) of the Act. In this connection Applicant-intervenors may submit a separate statement specifying any issues of fact they desire to controvert, as required by the notice of filing in this proceeding.

Applicant companies shall file on or before September 12, 1967, a brief in response and such amendments to the amended application on file as they deem appropriate in the light of the documents and statements filed by the Applicant-intervenors.

It is further ordered, That all documents, statements, and briefs shall be submitted and filed and served in accordance with Rules 22 and 23 of the Commission's rules of practice.

It is further ordered, That oral argument in this case shall be heard within 10 days after the aforesaid documents, statements, and briefs are filed. The Secretary of the Commission will advise the parties of the time and place of oral argument.

It is further ordered, That jurisdiction be, and it hereby is, reserved to separate, either for hearing, in whole or in part, or for disposition, in whole or in part, any of the issues or questions which may arise in this proceeding, and to take such other action as may appear necessary or appropriate to the orderly disposition of the issues involved.

It is further ordered, That the Secretary of the Commission shall mail a copy of this order by registered mail to counsel for the Applicant companies and for the Applicant-intervenors, to the Vermont Public Service Board, the Massachusetts Department of Public Utilities, the Federal Power Commission, and the Atomic Energy Commission.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 67-10099; Filed, Aug. 28, 1967; 8:46 a.m.]

FEDERAL POWER COMMISSION

[Docket Nos. RI68-61 etc.]

PHILLIPS PETROLEUM CO., ET AL.

Order Accepting Contract Amendments, Providing for Hearings on and Suspension of Proposed Changes in Rates, Permitting Withdrawal of Rate Supplements and Terminating Proceeding [1]

AUGUST 18, 1967.

The above-named Respondents have tendered for filing proposed changes in presently effective rate schedules for sales of natural gas subject to the jurisdiction of the Commission. The proposed changes, which constitute increased rates and charges, are designated as follows:

[1] Does not consolidate for hearing or dispose of the several matters herein.

Docket No.	Respondent	Rate schedule No.	Supplement No.	Purchaser and producing area	Amount of annual increase	Date filing tendered	Effective date unless suspended	Date suspended until—	Cents per Mcf: Rate in effect	Cents per Mcf: Proposed increased rate	Rate in effect subject to refund in docket Nos.
RI68-61	Phillips Petroleum Co., Bartlesville, Okla. 74003.	414	4	Panhandle Eastern Pipe Line Co. (Seiling Field, Woods County, Okla.) (Oklahoma "Other" Area).	$731	7-17-67	[2] 9- 1-67	2- 1-68	[3] [5] 16.020	[2] [4] [5] 18.836	
RI68-62	Walter F. Kuhn (Operator) et al., 726 Union Center Bldg., Wichita, Kans. 67202.	45	2	Plateau Natural Gas Co.[1] (Hugoton Field, Stevens County, Kans.).	4,341	7-21-67	[2] 8-21-67	1-21-68	[3] [10] 11.0	[4] [5] [10] 13.0	
RI68-63	Cabot Corp. (SW), Post Office Box 1101, Pampa, Tex. 79065.	54	14	Colorado Interstate Gas Co. (Laverne Field, Harper County, Okla.) (Panhandle Area).	4,907	7-24-67	[2] 8-26-67	1-26-68	[3] [12] 19.424	[4] [11] [12] 20.638	RI66-93.
	do	55	4	do	200	7-24-67	[2] 9- 1-67	2- 1-68	[3] [12] 20.825	[4] [11] [12] 22.050	
RI68-64	Amerada Petroleum Corp., Post Office Box 2040, Tulsa, Okla. 74102.	118	6	Panhandle Eastern Pipe Line Co. (Putnam Field, Dewey County, Okla.) (Oklahoma "Other" Area).	373	7-24-67	[2] 9- 1-67	2- 1-68	[3] [12] 15.0	[4] [5] [14] [12] 19.5	
RI68-65	Texaco Inc., Post Office Box 52332, Houston, Tex. 77052.	9	22	Northern Natural Gas Co. (West Panhandle Field, Carson County, Tex.) (R.R. District No. 10).	63	7-25-67	[2] 8-25-67	1-25-68	12.9487	[4] [12] 13.0192	RI67-56.
RI68-66	Falcon Seaboard Drilling Co., Post Office Drawer 3348, Houston, Tex. 77001.	14	1	Panhandle Eastern Pipe Line Co. (South Lenora Field, Dewey County, Okla.) (Oklahoma "Other" Area).	6,809	7-26-67	[2] 9- 1-67	2- 1-68	[3] [12] 15.045	[4] [11] [12] [13] 17.5675	
RI68-67	Hall-Jones Oil Corp., 1704 Liberty Bank Bldg., Oklahoma City, Okla. 73102.	6	2	Michigan-Wisconsin Pipe Line Co. (Lenora Field, Dewey County, Okla.) (Oklahoma "Other" Area).	2,160	7-27-67	[2] 8-27-67	1-27-68	[3] [12] 15.0	[4] [12] [13] 19.5	
RI68-68	Gulf Oil Corp., Post Office Box 1589, Tulsa, Okla. 74102:	96	21	Colorado Interstate Gas Co. (Laverne Field, Harper County, Okla.) (Panhandle Area).	117,600	7-28-67	[2] 8-29-67	1-29-68	[3] [12] [13] 16.8	[4] [5] [12] [13] 19.04	
	do	96	8	Colorado Interstate Gas Co. (Southwest Camp Creek Field, Beaver County, Okla.) (Panhandle Area).	8,736	7-28-67	[2] 9-10-67	2-10-68	[3] [12] [13] 16.77	[4] [5] [12] [13] 19.61	
	do	267	5	Panhandle Eastern Pipe Line Co. (Northwest Avard Pool, Woods County, Okla.) (Oklahoma "Other" Area).	183	7-31-67	[2] 9- 1-67	2- 1-68	[3] [12] 16.0	[4] [5] [14] [12] 17.07	
RI68-69	Shell Oil Co., 50 West 50th St., New York, N.Y. 10020.	167	[6] 4	Northern Natural Gas Co. (Southwest Camp Creek Field, Beaver County, Okla.) (Panhandle Area).		7-27-67	[2] 8-27-67	(Accepted)			
		167	5		9,427	7-27-67	[2] 8-27-67	1-27-68	[3] [12] [13] 17.456	[4] [12] [13] [15] 18.547	RI65-475.
RI68-70	Sinclair Oil & Gas Co. (Operator) et al., Post Office Box 521, Tulsa, Okla. 74102.	204	35	Michigan-Wisconsin Pipe Line Co. (Woodward Area, Woodward County, Okla.) (Panhandle Area).	17,396	7-17-67	[2] 9-27-67	2-27-68	[3] [12] 17.69	[4] [11] [12] 20.19	
RI68-71	Kingwood Oil Co., First National Bldg., Oklahoma City, Okla. 73102, Attn.: Mr. C. A. McKenzie.	4	3	Northern Natural Gas Co. (Northwest Dower Field, Beaver County, Okla.) (Panhandle Area).	1,008	7-24-67	[2] 8-24-67	1-24-68	[3] [12] [13] 16.5	[4] [5] [12] [13] 19.5	RI60-456.
RI68-72	Mobil Oil Corp. et al., Post Office Box 2444, Houston, Tex. 77001.	140	6	Colorado Interstate Gas Co. (Keyes Field, Cimarron County, Okla.) (Panhandle Area).	147	7-21-67	[2] 8-21-67	1-21-68	[3] [12] 16.0	[4] [11] [12] [13] 17.015	RI67-275.
RI68-73	do	401	3	do	108	7-21-67	[2] 8-21-67	1-21-68	[3] [12] 16.0	[4] [11] [12] [13] 17.015	
RI68-74	Shell Oil Co. (Operator) et al., 50 West 50th St., New York, N.Y. 10020.	163	[6] 11	Northern Natural Gas Co. (Buffalo Field, Harper County, Okla.) (Panhandle Area).		7-27-67	[2] 8-27-67	(Accepted)			
		163	12		19,654	7-27-67	[2] 8-27-67	1-27-68	[3] [12] 17.506	[4] [12] [13] 18.666	RI65-475.
	do	164	[6] 8	Northern Natural Gas Co. (Rosston Field, Beaver County, Okla.) (Panhandle Area).		7-27-67	[2] 8-27-67	(Accepted).			
		164	9		5,458	7-27-67	[2] 8-27-67	1-27-68	[3] [12] 18.192	[4] [12] [13] 19.329	RI65-476.

See footnotes at end of table.

Docket No.	Respondent	Rate schedule No.	Supplement No.	Purchaser and producing area	Amount of annual increase	Date filing tendered	Effective date unless suspended	Date suspended until—	Cents per Mcf: Rate in effect	Cents per Mcf: Proposed increased rate	Rate in effect subject to refund in docket Nos.
RI68-75	Tenneco Oil Co., Post Office Box 2511, Houston, Tex. 77001.	190	4	Panhandle Eastern Pipe Line Co. (Northwest Avard Field, Wood County, Okla.) (Oklahoma "Other" Area).	918	7-26-67	[3] 9-1-67	2-1-68	[5][37] 15.30	[4][5][36][36] 16.32	
	do	186	12	Colorado Interstate Gas Co. (Laverne Field, Harper County, Okla.) (Panhandle Area).	367	7-26-67	[3] 9-1-67	2-1-68	[5][37] 15.36	[4][5][11][37] 16.32	
	do	187	5	Michigan Wisconsin Pipe Line Co. (Woodward Area, Woodward County, Okla.) (Panhandle Area) and Woods, Major, Dewey, and Alfalfa Counties, Okla.) (Oklahoma "Other" Area).	240 120	7-27-67	[3] 8-29-67	1-29-68	[5][39][40] 17.10 [5][40][41] 15.10	[4][5][38][39][40] 18.10 [4][5][36][40][41] 16.10	
RI68-76	Ashland Oil & Refining Co., Post Office Box 18695, Oklahoma City, Okla. 73118.	78 78 78	12 13 14	Panhandle Eastern Pipe Line Co. (Woods, Major, and Dewey Counties, Okla.) (Oklahoma "Other" Area) and (Woodward County, Okla.) (Panhandle Area).	25,823 1,094 6,015	7-28-67 7-28-67 7-28-67	[3] 9-1-67 [3] 9-1-67 [3] 9-1-67	2-1-68 2-1-68 2-1-68	[5][43] 19.227 [5][44] 19.839 [5][45] 17.550	[4][5][42][43] 20.2590 [4][5][11][44] 22.188 [4][5][42][45] 20.958	RI67-187.
RI68-77	Champlin Petroleum Co. (Operator) et al., Post Office Box 9365, Fort Worth, Tex. 76107.	66	13	Colorado Interstate Gas Co. (Laverne Field, Harper County, Okla.) (Panhandle Area).	5,865	7-28-67	[3] 9-1-67	2-1-68	[5][46] 17.28	[4][5][21][46] 18.26	RI63-47.
RI68-78	Midhurst Oil Corp. (Operator) et al., 1030 Bank of the Southwest Bldg., Houston, Tex. 77002.	6	8	United Gas Pipe Line Co. (Hornbuckle Field and North LaWard Field Area, Jackson County, Tex.) (RR. District No. 2).	7,495	7-25-67	[8] 8-25-67	1-25-68	15.18019	[5][47] 18.0	RI65-497.
RI68-79	Sun Oil Co., 1608 Walnut St., Philadelphia, Pa. 19103, Attn.: Mr. C. E. Webber.	132	7	Transwestern Pipeline Co. (Waha Field, Pecos County, Tex.) (RR. District No. 8) (Permian Basin Area).	6,000	7-17-67	[3] 9-1-67	2-1-68	17.0	[4][11] 18.0	RI64-81.

[2] The stated effective date is the effective date proposed by Respondent.
[3] Respondent filing from initial certificated rate to initial contract rate.
[4] Pressure base is 14.65 p.s.i.a.
[5] Subject to upward and downward B.t.u. adjustment.
[6] Includes base rate of 15 cents plus upward B.t.u. adjustment before increase and base rate of 17 cents plus upward B.t.u. adjustment after increase (present B.t.u. content of gas is 1,108 B.t.u.'s per cubic foot).
[7] Formerly: Kansas-Colorado Utilities, Inc.
[8] The stated effective date is the first day after expiration of the statutory notice.
[9] Two-step periodic rate increase.
[10] Subject to a downward B.t.u. adjustment from 900 B.t.u.'s per cubic foot (present B.t.u. content is in excess of 900 B.t.u.'s per cubic foot).
[11] Periodic rate increase.
[12] Includes base rate of 16 cents plus upward B.t.u. adjustment before increase and base rate of 17 cents plus upward B.t.u. adjustment after increase (present B.t.u. content of gas is 1,214 B.t.u.'s per cubic foot).
[13] Includes base rate of 17 cents plus upward B.t.u. adjustment before increase and base rate of 18 cents plus upward B.t.u. adjustment after increase (present B.t.u. content of gas is 1,225 B.t.u.'s per cubic foot).
[14] Respondent filing from initial certificated rate to first periodic increased rate (initial contract rate is 17 cents).
[15] B.t.u. content of gas not stated.
[16] Redetermined rate increase.
[17] Subject to proportionate upward and downward B.t.u. adjustment from base of 1,000 B.t.u.'s per cubic foot.
[18] Includes base rate of 15 cents plus upward B.t.u. adjustment (1,008 B.t.u gas) before increase and base rate of 17.5 cents plus upward B.t.u. adjustment and 0.015 cent tax reimbursement after increase.
[19] Respondent filing from permanently certificated initial rate to initial contract rate.
[20] Subject to 1/100 cent upward B.t.u. adjustment for each B.t.u. in excess of 1,000 B.t.u.'s per cubic foot and proportionate downward B.t.u. adjustment from base of 1,000 B.t.u.'s per cubic foot (respondent states present B.t.u. content is in excess of 1,000 B.t.u.'s per cubic foot).
[21] Subject to proportionate upward and downward B.t.u. adjustment from base of 1,000 B.t.u.'s per cubic foot.
[22] Includes base rate of 15 cents plus upward B.t.u. adjustment before increase and base rate of 17 cents plus upward B.t.u. adjustment after increase 1,120 B.t.u. gas (Rate Schedule No. 98) and 1,118 B.t.u. gas (Rate Schedule No. 96).
[23] Rate of 16 cents plus upward B.t.u. adjustment suspended in Docket No. RI67-460 until Dec. 6, 1967. Gulf requests that the suspension proceeding be terminated and the related supplements be withdrawn.
[24] "Fractured" rate increase. Respondent is contractually due base rate of 19.5 cents plus upward B.t.u. adjustment. Initial contract rate is 17 cents.
[25] Includes base rate of 15 cents plus upward B.t.u. adjustment before increase and 16 cents plus upward B.t.u. adjustment after increase (1,067 B.t.u. gas—Gulf's Rate Schedule No. 257 and 1,020 B.t.u. gas Tenneco's Rate Schedule 190 and 186).
[26] Renegotiated rate increase.
[27] Includes base rate of 16 cents plus upward B.t.u. adjustment before increase and base rate of 17 cents plus upward B.t.u. adjustment after increase (1,091 B.t.u. gas).
[28] Contract agreement which provides for rate of 17 cents for 5-year period beginning July 1, 1967. Also provides that Shell will have the right to file for any higher just and reasonable rate established by the Federal Power Commission.
[29] Subject to 1/100 cent upward B.t.u. adjustment for each additional B.t.u. in excess of 1,000 B.t.u. per cubic foot and proportionate downward B.t.u. adjustment (rates shown include 0.69 cent upward B.t.u. adjustment for 1,069 B.t.u. gas).
[30] Subject to a downward B.t.u. adjustment.
[31] Includes 1 cent charge paid by buyer for seller's relinquishment of processing rights.
[32] Includes 0.015 cent tax reimbursement.
[33] Subject to proportionate upward and downward B.t.u. adjustment from a base of 1,000 B.t.u.'s per cubic foot (present B.t.u. content of gas is 908 B.t.u.'s per cubic foot (Mobil's Rate Schedule No. 140) and 805 B.t.u.'s per cubic foot (Mobil's Rate Schedule No. 401).
[34] Footnote 34 not used.
[35] Includes base rate of 16 cents plus upward B.t.u. adjustment before increase and 17 cents plus upward B.t.u. adjustment after increase (1,098 B.t.u. gas (Shell's Rate Schedule No. 163) and 1,137 B.t.u. gas (Shell's Rate Schedule No. 164).
[36] "Fractured" rate increase. Respondent is contractually due base rate of 19.5 cents plus upward B.t.u. adjustment. Initial contract rate is 17 cents.
[37] Includes base rate of 15 cents plus upward B.t.u. adjustment before increase and 16 cents plus upward B.t.u. adjustment after increase (1,067 B.t.u. gas (Gulf's Rate Schedule No. 257 and 1,020 B.t.u. gas (Tenneco's Rate Schedule Nos. 190 and 186).
[38] "Fractured" rate increase. Respondent contractually due base rate of 19.5 cents, which is initial contract rate.
[39] Applicable to production from Woodward County (Panhandle Area).
[40] Includes 0.10 cent upward B.t.u. adjustment, which is based on 1/100 cent per Mcf for each B.t.u. per cubic foot of 1,000 B.t.u.'s (average B.t.u. content is 1,010 B.t.u. per cubic foot).
[41] Applicable to production from Woods, Dewey, Major, and Alfalfa Counties (Oklahoma "Other" Area).
[42] "Fractured" rate increase plus tax reimbursement. Respondent contractually due periodic increase to base rate of 19.5 cents.
[43] Includes 17 cents base rate plus upward B.t.u. adjustment before increase and 17.9 cents base rate plus upward B.t.u. adjustment plus 0.015 cent tax reimbursement after increase.
[44] Includes 17 cents base rate plus upward B.t.u. adjustment before increase and 19 cents base rate plus upward B.t.u. adjustment plus 0.015 cent tax reimbursement after increase.
[45] Includes 15 cents base rate plus upward B.t.u. adjustment before increase and 17.9 cents base rate plus upward B.t.u. adjustment plus 0.015 cent tax reimbursement after increase.
[46] Includes 16 cents base rate plus upward B.t.u. adjustment before increase and 17 cents base rate plus upward B.t.u. adjustment after increase. (Based on present B.t.u. content of gas which is 1,090 B.t.u.'s per cubic foot.)
[47] "Fractured" rate increase. Respondent contractually due a redetermined rate of 18.2 cents per Mcf.

Walter F. Kuhn (Operator) et al., request a retroactive effective date of January 1, 1967, for their proposed rate increase. Texaco, Inc. (Texaco), requests that its proposed rate increase be permitted to become effective as of July 1, 1967. Mobil Oil Corp. et al., and Mobil Oil Corp. request an effective date of August 20, 1967, for Supplement Nos. 6 and 3 to their FPC Gas Rate Schedule Nos. 140 and 401, respectively. Midhurst Oil Corp. (Operator) et al., request that their proposed rate increase be permitted to become effective as of July 24, 1967. Good cause has not been shown for waiving the 30-day notice requirement provided in section 4(d) of the Natural Gas Act to permit earlier effective dates for the aforementioned producers' rate filings and such requests are denied.

Gulf Oil Corp. (Gulf), proposes a two-step periodic increase in rate from 15.0 cents to 17.0 cents, plus upward B.t.u. adjustment, under its FPC Gas Rate Schedule Nos. 96 and 98, for gas sold to Colorado Interstate Gas Co. from fields in Beaver County, Okla. (Panhandle Area).

On June 5, 1967, Gulf filed periodic increases from 15.0 cents to 16.0 cents, plus B.t.u. adjustment. Such filings were designated as Supplement Nos. 7 and 20 to Gulf's FPC Gas Rate Schedule Nos. 96 and 98, respectively, and were suspended by the Commission's order issued June 30, 1967, in Docket No. RI67–460, until December 6, 1967, and thereafter until made effective in the manner prescribed by the Natural Gas Act. The increased rate has not been made effective pursuant to section 4(e) of the Natural Gas Act and no monies have been collected subject to refund under the rate schedules involved. Gulf has requested that the rate proceeding in Docket No. RI67–460 be terminated and the related rate filings be permitted to be withdrawn.

Since the suspended 16.0-cent rate, plus B.t.u. adjustment, contained in Supplement Nos. 7 and 20 to Gulf's FPC Gas Rate Schedule Nos. 96 and 98, respectively, has not been made effective pursuant to section 4(e) of the Natural Gas Act and no monies have been collected subject to refund under the rate schedules involved, we believe that it would be in the public interest to grant Gulf's request to withdraw its aforementioned rate supplements and to terminate the related suspension proceeding in Docket No. RI67–460.

Shell Oil Co. and Shell Oil Co. (Operator) et al. (both referred to herein as Shell), have submitted contract amendments which provide for their proposed rate increases. We believe that it would be in the public interest to accept for filing Shell Oil Co.,[1] and Shell Oil Co. (Operator) et al.,[2] contract amendments to become effective on August 27, 1967, the proposed effective date, but not the proposed rates contained therein which are suspended as hereinafter ordered.

Except for the stay of the moratorium in Opinion No. 468, Sun Oil Co.'s (Sun), rate filing would be rejectable because the proposed rate is in excess of the applicable area ceiling determined in Opinion No. 468. If the moratorium is ultimately upheld upon judicial reveiew, Sun's rate filing will be rejected ab initio.

With the exception of the rate increase filed by Sun which exceeds the applicable area ceiling established in the related quality statement filed pursuant to Opinion No. 468, as amended, all of the producers' proposed rates and charges exceed the applicable area price levels for increased rates as set forth in the Commission's statement of general policy No. 61–1, as amended (18 CFR Ch. 1, Pt. 2, § 2.56).

The proposed changed rates and charges may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds:

(1) Good cause exists for permitting the withdrawal of Supplement Nos. 7 and 20 to Gulf's FPC Gas Rate Schedule Nos. 96 and 98, respectively, and for terminating the related suspension proceeding in Docket No. RI67–460.

(2) Good cause has been shown for accepting for filing Shell Oil Co. and Shell Oil Co. (Operator) et al., contract amendments, designated as Supplement No. 4 to Shell Oil Co.'s FPC Gas Rate Schedule No. 167, and Supplement Nos. 11 and 8 to Shell Oil Co. (Operator) et al., FPC Gas Rate Schedule Nos. 163 and 164, respectively, and for permitting such supplements to become effective on August 27, 1967, the proposed effective date.

(3) Except for the supplements set forth in paragraph (2) above, it is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon hearings concerning the lawfulness of the proposed changes, and that the above-designated supplements be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Supplement Nos. 7 and 20 to Gulf's FPC Gas Rate Schedule Nos. 96 and 98, respectively, are permitted to be withdrawn and the suspension proceeding in Docket No. RI67–460 is terminated.

(B) Shell Oil Co. and Shell Oil Co. (Operator) et al., contract amendments, designated as Supplement No. 4 to Shell Oil Co.'s FPC Gas Rate Schedule No. 167, and Supplement Nos. 11 and 8 to Shell Oil Co. (Operator) et al., FPC Gas Rate Schedule Nos. 163 and 164, respectively, are accepted for filing and permitted to become effective on August 27, 1967.

(C) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), public hearings shall be held upon dates to be fixed by notices from the Secretary concerning the lawfulness of the proposed increased rates and charges contained in the above-designated supplements (except the supplements set forth in (B) above).

(D) Pending hearings and decisions thereon, the above-designated rate supplements are hereby suspended and the use thereof deferred until the date indicated in the above "Date Suspended Until" column, and thereafter until such further time as they are made effective in the manner prescribed by the Natural Gas Act.

(E) Neither the supplements hereby suspended, nor the rate schedules sought to be altered thereby, shall be changed until these proceedings have been disposed of or until the periods of suspension have expired, unless otherwise ordered by the Commission.

(F) Notices of intervention or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C. 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 and 1.37(f)) on or before October 4, 1967.

By the Commission.

[SEAL] KENNETH F. PLUMB,
Acting Secretary.

[F.R. Doc. 67–10047; Filed, Aug. 28, 1967; 8:45 a.m.]

[1] Supplement No. 4 to Shell Oil Co.'s FPC Gas Rate Schedule No. 167.

[2] Supplement Nos. 11 and 8 to Shell Oil Co. (Operator) *et al.*, FPC Gas Rate Schedule Nos. 163 and 164, respectively.

[Docket No. CP68–51]

GRAND VALLEY TRANSMISSION CO.

Notice of Application

AUGUST 22, 1967.

Take notice that on August 14, 1967, Grand Valley Transmission Co. (Applicant), 72 East Fourth South Street, Salt Lake City, Utah 84111, filed in Docket No. CP68–51 a "budget-type" application pursuant to subsection (c) of section 7 of the Natural Gas Act, as implemented by Subsection (b) of § 157.7 of the regulations under the Act, for a certificate of public convenience and necessity authorizing the construction and operation of certain natural gas facilities, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Specifically, Applicant seeks authorization to construct and operate, during the 12-month period beginning October 1, 1967, or from the date of issuance of the authorization requested herein, whichever is later, routine natural gas purchase facilities to enable it to take into its certificated main pipeline system natural gas which is or will become available in its general supply area.

Total estimated cost of Applicant's proposed construction is not to exceed $30,000, with no single project expenditure to exceed $10,000, and will be financed initially from cash on hand or short-term bank loans. Applicant requests that the limitations of § 2.58(a) of the Commission's general policy be waived so as to allow the limits proposed above. Applicant states that strict application of said limits would result in investment limits too low to be practical.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C. 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) and the regulations under the Natural Gas Act (157.10) on or before September 18, 1967.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on this application if no protest or petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a protest or petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

GORDON M. GRANT,
Secretary.

[F.R. Doc. 67–10084; Filed, Aug. 28, 1967; 8:45 a.m.]

[Docket No. CP68-46]

HUMBLE GAS TRANSMISSION CO.

Notice of Application

AUGUST 22, 1967.

Take notice that on August 11, 1967, Humble Gas Transmission Co. (Applicant), 1700 Commerce Building, New Orleans, La. 70112, filed in Docket No. CP68-46 an application pursuant to subsection (c) of section 7 of the Natural Gas Act for a certificate of public convenience and necessity authorizing the construction and operation of certain natural gas facilities and the sale of natural gas for resale in interstate commerce, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Specifically, Applicant seeks authorization to construct and operate the following natural gas facilities:

(1) Two measuring stations, for the receipt of natural gas to be purchased by Applicant from producers in the Hatch Bend Field and North Richland Area, Richland Parish, La.; and

(2) A sales measuring station south of Natchez, Miss., on its Fowler-Baton Rouge Pipeline System.

Applicant also seeks authorization to sell and deliver to Mississippi Valley Gas Co. (Valley) volumes of natural gas for resale and distribution in the Beau Pre Road Area, Miss. Applicant states that it proposes to deliver Valley's natural gas through the sales measuring station proposed in (2) above. Applicant further states that Valley estimates its maximum daily and annual natural gas requirements at 50 Mcf and 5,000 Mcf, respectively.

Applicant estimates the total cost of the proposed facilities at approximately $5,734, said cost to be financed from funds on hand.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C. 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) and the Regulations under the Natural Gas Act (157.10) on or before September 14, 1967.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on this application if no protest or petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a protest or petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

GORDON M. GRANT,
Secretary.

[F.R. Doc. 67-10085; Filed, Aug. 28, 1967; 8:45 a.m.]

[Docket No. CP 68-48]

HUMBLE GAS TRANSMISSION CO.

Notice of Application

AUGUST 22, 1967.

Take notice that on August 14, 1967, Humble Gas Transmission Co. (Applicant), 1700 Commerce Building, New Orleans, La. 70112, filed in Docket No. CP68-48 an application pursuant to subsection (b) of section 7 of the Natural Gas Act for permission and approval to abandon certain natural gas service, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Specifically, Applicant seeks permission and approval to abandon service to Texas Gas Transmission Corp. (Texas) and Southern Natural Gas Co. (Southern) from its Monroe, La., Gas Field. Applicant states that no sales have been made from this field since October 1965, and therefore wishes to abandon said service. Applicant also proposes to cancel Rate Schedule P-2 covering the sales to Texas and Rate Schedule P-3 covering the sales to Southern.

Applicant states that it has a net investment in the facilities involved in the above-mentioned sales of $869.18.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C. 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) and the regulations under the Natural Gas Act (157.10) on or before September 18, 1967.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on this application if no protest or petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that permission and approval for the proposed abandonment is required by the public convenience and necessity. If a protest or petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

GORDON M. GRANT,
Secretary.

[F.R. Doc. 67-10086; Filed, Aug. 28, 1967; 8:45 a.m.]

[Docket No. CP68-49]

NATURAL GAS PIPELINE COMPANY OF AMERICA

Notice of Application

AUGUST 22, 1967.

Take notice that on August 14, 1967, Natural Gas Pipeline Company of America (Applicant), 122 South Michigan Avenue, Chicago, Ill. 60603, filed in Docket No. CP68-49 an application pursuant to subsection (b) of section 7 of the Natural Gas Act for permission and approval of the Commission to abandon a certain delivery point and the facilities associated therewith, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Specifically, Applicant seeks permission and approval to abandon the delivery of natural gas to Northern Illinois Gas Co. (Illinois) at the village of Herscher delivery point, Kankakee County, Ill. Applicant also seeks permission and approval to abandon the measuring and regulating station used for the delivery described above. Applicant states that Illinois has stopped taking deliveries of natural gas at the delivery point described above as of July 26, 1967, and is providing such natural gas service to the village of Herscher from its own intrastate pipeline system. Applicant further states that there will be no decrease in the volumes of natural gas sold and delivered to Illinois as a result of the abandonment proposed above but they will be made through other existing delivery points between the parties. Applicant also states that there will be no change in the natural gas service now rendered to the village of Herscher as a result of the above-proposed abandonment.

Applicant states that the facilities proposed to be abandoned originally cost approximately $21,000. Applicant estimates the cost of removal of the facilities to be salvaged at approximately $1,500 and the estimated salvage value of such facilities at approximately $3,300.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C. 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) and the regulations under the Natural Gas Act (157.10) on or before September 18, 1967.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on this application if no protest or petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that permission and approval for the proposed abandonment is required by the public convenience and necessity. If a protest or petition for leave to intervene is timely

filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

GORDON M. GRANT,
Secretary.

[F.R. Doc. 67-10087; Filed, Aug. 28, 1967; 8:45 a.m.]

[Docket No. CP68-50]

NATURAL GAS PIPELINE COMPANY OF AMERICA

Notice of Application

AUGUST 22, 1967.

Take notice that on August 14, 1967, Natural Gas Pipeline Company of America (Applicant), 122 South Michigan Avenue, Chicago, Ill. 60603, filed in Docket No. CP68-50 an application pursuant to subsection (c) of section 7 of the Natural Gas Act for a certificate of public convenience and necessity authorizing the construction and operation of certain natural gas facilities and the sale and delivery of volumes of natural gas for resale and distribution, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Specifically, Applicant seeks authorization to construct and operate a tap connection on its Gulf Coast main transmission pipeline and a measuring and regulating station, all located in Cape Girardeau County, Mo., for the sale and delivery of volumes of natural gas to Associated Natural Gas Co. (Associated) for resale and distribution in the village of Oak Ridge, Cape Girardeau County, Mo. Applicant states that Associated proposes to render such natural gas service to the village of Oak Ridge from volumes of natural gas that Applicant has heretofore been authorized to sell and deliver to Associated.

Applicant estimates the total cost of the facilities proposed at approximately $18,678, said cost to be financed from funds on hand.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C. 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) and the regulations under the Natural Gas Act (157.10) on or before September 18, 1967.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on this application if no protest or petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a protest or petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

GORDON M. GRANT,
Secretary.

[F.R. Doc. 67-10088; Filed, Aug. 28, 1967; 8:45 a.m.]

[Docket No. CP68-47]

TEXAS EASTERN TRANSMISSION CORP.

Notice of Application

AUGUST 22, 1967.

Take notice that on August 11, 1967, Texas Eastern Transmission Corp. (Applicant), Post Office Box 2521, Houston, Tex. 77001, filed in Docket No. CP68-47 an application pursuant to subsection (c) of section 7 of the Natural Gas Act for a certificate of public convenience and necessity authorizing the construction and operation of certain natural gas facilities, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Specifically, Applicant seeks authorization to construct and operate the following natural gas purchase and transportation facilities:

(1) Approximately 45 miles of 24-inch pipeline extending from the terminus of Applicant's 36-inch pipeline near Venice, La., to the Block 6 Field, Main Pass Area, Offshore Louisiana;

(2) Dual 24-inch pipeline crossings of the Mississippi River; and

(3) All facilities appurtenant thereto.

Applicant states that the facilities proposed above are required to transport natural gas which it proposes to purchase from Mobil Oil Corp. (Mobil) pursuant to a gas Purchase Contract between it and Mobil dated August 7, 1967. Applicant further states that these volumes of natural gas will improve its system reserves and deliverability and will enhance the flexibility of its system gas supply.

Applicant estimates the total cost of the proposed facilities at approximately $14,900,000, said cost to be financed initially through the use of Applicant's $100,000 revolving credit and later permanently financed through the issuance of bonds, debentures, stocks, or from its general funds.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C. 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) and the regulations under the Natural Gas Act (157.10) on or before September 18, 1967.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on this application if no protest or petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a protest or petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

GORDON M. GRANT,
Secretary.

[F.R. Doc. 67-10089; Filed, Aug. 28, 1967; 8:45 a.m.]

FEDERAL MARITIME COMMISSION

SOUTH ATLANTIC & CARIBBEAN LINE, INC., AND SACAL, V.I., INC.

Notice of Agreements Filed for Approval

Notice is hereby given that the following agreements have been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreements at the Washington office of the Federal Maritime Commission, 1321 H Street, NW., Room 609; or may inspect agreements at the offices of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to an agreement including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C., 20573, within 20 days after publication of this notice in the FEDERAL REGISTER.

A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter), and the comments should indicate that this has been done.

Notice of agreement filed for approval by:

John Mason, Ragan & Mason, 900 17th Street NW., Washington, D.C.

Agreement No. DC-26 between South Atlantic & Caribbean Line, Inc., and SACAL, V.I., Inc., a wholly owned subsidiary, provides for the transportation of cargo under through bills of lading between ports in Florida and ports in the Virgin Islands with transshipment at San Juan, P.R. The through rates will be combination rates, those separately published by South Atlantic & Caribbean Line, Inc., between Florida and Puerto Rico and those separately published by SACAL, V.I., Inc., between Puerto Rico and the Virgin Islands. South Atlantic & Caribbean Line, Inc., will issue a through bill of lading for cargo originating in Florida and SACAL, V.I., Inc. will

issue the bill of lading for cargo originating in the Virgin Islands. Each party will indemnify the other, from all expense and liability for damage, delay, loss, or misdelivery of goods while in its possession except if the damage, delay, loss, or misdelivery is caused by neglect or wanton misconduct of the other. Either party may terminate the agreement upon 30 days written notice to the other party except for breach by the other party when it may be cancelled forthwith.

The agreement shall become effective when approved by the Commission pursuant to section 15, Shipping Act, 1916.

Dated: August 24, 1967.

By order of the Federal Maritime Commission.

FRANCIS C. HURNEY,
Assistant Secretary.

[F.R. Doc. 67-10106; Filed, Aug. 28, 1967; 8:47 a.m.]

DEPARTMENT OF LABOR

Wage and Hour Division

CERTIFICATES AUTHORIZING THE EMPLOYMENT OF FULL-TIME STUDENTS WORKING OUTSIDE OF SCHOOL HOURS AT SPECIAL MINIMUM WAGES IN RETAIL OR SERVICE ESTABLISHMENTS OR IN AGRICULTURE

Notice is hereby given that pursuant to section 14 of the Fair Labor Standards Act of 1938 (52 Stat. 1060, as amended, 20 U.S.C. 201 et seq.), the regulation on employment of full-time students (29 CFR, Part 519), and Administrative Order No. 595 (31 F.R. 12981), the establishments listed in this notice have been issued special certificates authorizing the employment of full-time students working outside of school hours at hourly wage rates lower than the minimum wage rates otherwise applicable under section 6 of the act. The effective and expiration dates are as indicated below. The minimum certificate rates are not less than 85 percent of the applicable statutory minimum.

The following certificates provide for an allowance not to exceed the proportion of the total hours worked by full-time students at rates below $1 an hour to the total number of hours worked by all employees in the establishment during the base period in occupations of the same general classes in which the establishment employed full-time students at wages below $1 an hour in the base period.

Biltmore Farms, agriculture; Biltmore, N.C.; 2-1-67 to 1-31-68.

Richard W. Bishop, agriculture; 8995 Peterson Road, Whitehall, Mich.; 5-22-67 to 5-21-68.

C. H. Block and Co., Inc., agriculture; Tunica, Miss.; 6-16-67 to 6-15-68.

Andrew Buist, Sr., agriculture; 1055 Chippewa Drive, Jenison, Mich.; 6-5-67 to 6-4-68.

Dale Buist, agriculture; Route 1, Allendale, Mich.; 5-16-67 to 5-15-68.

Robert Buist, Sr., agriculture; 11998 74th Avenue, Allendale, Mich.; 5-5-67 to 5-4-68.

Carson City Hospital, hospital; Elm at Third Street, Carson City, Mich.; 5-29-67 to 5-28-68.

Carter Brothers, agriculture; 709 North First Street, Rolling Fork, Miss.; 5-3-67 to 5-2-68.

Carter Planting Co., agriculture; Clarksdale, Ark.; 6-12-67 to 6-11-68.

Claiborne Farm, agriculture; Paris, Ky.; 6-9-67 to 5-31-68.

Coborn's Inc., food store; 6 North Broadway, Sauk Rapids, Minn.; 6-28-67 to 6-27-68.

Co-op Grocery Store, food store; 204 East Court Street, Beloit, Kans.; 6-28-67 to 6-27-68.

Evanna Plantation, Inc., agriculture; Cary, Miss.; 6-5-67 to 6-4-68.

Falsonia Plantation, agriculture; Indianola, Miss.; 6-6-67 to 6-5-68.

Fisher Brothers, agriculture; 846 Oak Avenue, Muskegon, Mich.; 6-16-67 to 6-15-68.

Fort Steuben Hotel, hotel and restaurant; Fourth and Washington Streets, Steubenville, Ohio; 6-19-67 to 6-18-68.

Gilmore Plant and Bulb Co., Inc., agriculture; Julian, N.C.; 6-20-67 to 6-19-68.

W. T. Grant Co., variety store; No. 888, Lancaster, Ohio; 6-14-67 to 6-13-68.

Hayfield Farm, agriculture; 1234 Miners National Bank Building, Wilkes-Barre, Pa.; 6-26-67 to 6-25-68.

Headspring Farm, agriculture; Newberry, S.C.; 2-9-67 to 1-31-68.

Hekkema Brothers, agriculture; 1131 Cadillac, North Muskegon, Mich.; 4-17-67 to 4-16-68.

Herberger's, department stores from 6-28-67 to 6-27-68; 110 North Minnesota Street, New Ulm, Minn.; 330 Chestnut Street, Virginia, Minn.; 19 South Maple Street, Watertown, S. Dak.; 25-29 North Main Street, Rice Lake, Wis.

Hillside Farms, Inc., agriculture; 1234 Miners National Bank Building, Wilkes-Barre, Pa.; 6-26-67 to 6-25-68.

H. T. & L. F. Holmes Farms, agriculture; Route 2, Trenton, S.C.; 6-5-67 to 6-4-68.

L. D. Holmes and Sons, agriculture; Route 1, Johnston, S.C.; 6-15-67 to 6-14-68.

Howard Johnson's Restaurant, restaurant; 1370 West Chestnut Street, Washington, Pa.; 6-9-67 to 6-8-68.

Richard W. Hussey, agriculture; Route 2, Tunica, Miss.; 6-12-67 to 6-11-68.

Ideal Poultry Breeding Farms, Inc., agriculture; Cameron, Tex.; 6-5-67 to 6-4-68.

Jackson County Hospital and Nursing Home, hospital; Scottsboro, Ala.; 6-15-67 to 6-14-68.

Jacob Wagenmaker & Son, agriculture; 1243 East Norton Road, Muskegon, Mich.; 5-10-67 to 5-9-68.

Jay D. Weil, Inc., agriculture; 148 Mount Tabor Road, Lexington, Ky.; 2-13-67 to 2-12-68.

Jordan Auto Co., Inc., automobile dealer; Natchez, Miss.; 6-28-67 to 6-27-68.

Kay Planting Co., agriculture; Indianola, Miss.; 6-26-67 to 6-25-68.

Keiser Supply Co., agriculture; Keiser, Ark.; 6-5-67 to 6-4-68.

Kitchens Clinic & Hospital, hospital; 202 South Main Street, LaFayette, Ga.; 6-7-67 to 6-6-68.

Kline's Department Store, department store; 14 East Front Street, Monroe, Mich.; 6-27-67 to 6-26-68.

Herbert Klug, agriculture; 271 Seminole Road, Muskegon, Mich.; 5-13-67 to 5-12-68.

S. S. Kresge Co., variety stores: No. 303, Arlington Heights, Ill. (6-6-67 to 6-5-68); No. 4600, Chicago, Ill. (6-3-67 to 6-2-68); No. 90, Jacksonville, Ill. (6-7-67 to 6-6-68); No. 4058, Springfield, Ill. (5-2-67 to 5-1-68); No. 659, Detroit, Mich. (6-24-67 to 6-23-68); No. 4559, La Crosse, Wis. (6-23-67 to 6-22-68).

S. H. Kress and Co., variety stores: 1912 Second Avenue, Bessemer, Ala. (6-5-67 to 6-4-68); 257 South Main Street, Salt Lake City, Utah (6-23-67 to 6-22-68).

Lester Krueger, agriculture; Springfield, Minn.; 6-21-67 to 6-20-68.

Larry Woodard Farms, Inc., agriculture; Lepanto, Ark.; 6-23-67 to 6-22-68.

Locher Orchards, agriculture; Hancock, Md.; 6-26-67 to 6-25-68.

Macey's 20th East Economy Store, food store; 2015 East 27th South, Salt Lake City, Utah; 6-29-67 to 6-28-68.

Magnolia Nurseries, Inc., agriculture; Route 4, Charleston, S.C.; 5-25-67 to 5-24-68.

McCrory-McLellan-Green Store, variety store; No. 545, Laredo, Tex.; 6-28-67 to 6-27-68.

McIlhenny Co., agriculture; Avery Island, La.; 6-19-67 to 6-18-68.

Morgan & Lindsey, Inc., variety store; 1007 Denny Avenue, Pascagoula, Miss.; 5-22-67 to 5-21-68.

G. C. Murphy Co., variety stores: No. 261, Huntsville, Ala. (4-25-67 to 4-24-68); No. 433, Anna, Ill. (6-29-67 to 6-28-68); No. 427, Winchester, Ind. (6-29-67 to 6-28-68).

The Orme School and Orme Ranch, agriculture; Mayer, Ariz.; 6-1-67 to 5-31-68.

Peoples Wholesale Co., grocery, hardware, and furniture store; Water Valley, Miss.; 6-28-67 to 6-27-68.

Piggly Wiggly, Inc., food store; 501 West Main Street, Harteselle, Ala.; 4-3-67 to 4-2-68.

The Pikeville Clinic, hospital; Pikeville, Tenn.; 6-15-67 to 5-31-68.

Powers Co., Inc., agriculture; Cary, Miss.; 5-24-67 to 5-23-68.

Rhea's, Inc., bakeries from 6-10-67 to 6-9-68: 441 Market Street, Pittsburgh, Pa.; 536 Smithfield Street, Pittsburgh, Pa.

Rudyard Coop Co., food stores: Pickford, Mich. (5-24-67 to 5-23-68); Rudyard, Mich. (5-11-67 to 5-10-68).

Schradzki Co., apparel store; 213-215 Southwest Adams, Peoria, Ill.; 6-28-67 to 6-27-68.

Nelson W. Scott, agriculture; 3625 Werner Street, Muskegon, Mich.; 5-9-67 to 5-8-68.

Scott Store, variety stores from 6-27-67 to 6-26-68; No. 46, Aurora, Ill.; Nos. 19 and 45, Chicago, Ill.; No. 24, Danville, Ill.; No. 96, Sterling, Ill.; No. 4, Western Springs, Ill.; No. 40, Madison, Ind.; No. 100, Bowling Green, Ky.; No. 125, Hazard, Ky.; No. 17, Brainerd, Minn.; No. 55, Kansas City, Mo.; No. 141, Bismarck, N. Dak.; Nos. 13, 14, and 16, Akron, Ohio; Nos. 86 and 116, Cleveland, Ohio; No. 68, Dover, Ohio; No. 23, East Cleveland, Ohio.

Setterholm's Super Fair, Inc., food store; 935 South Lake Street, Forest Lake, Minn.; 6-28-67 to 6-27-68.

Sterling Stores Co., Inc., variety store; 636 West Main Street, Jacksonville, Ark.; 3-3-67 to 3-2-68.

Sun Television & Appliances, Inc., television and appliance store; 10 East Main, Columbus, Ohio; 6-24-67 to 6-23-68.

Super Chief, Inc., food store; 2 Broad Street NW., Atlanta, Ga.; 6-22-67 to 6-21-68.

The Tankard Nurseries, agriculture; Exmore, Va.; 6-19-67 to 5-31-68.

T. G. & Y. Stores Co., variety stores: No. 146, Kansas City, Kans. (6-22-67 to 6-21-68); No. 145, Independence, Mo. (6-29-67 to 6-28-68).

Trojan Seed Co., agriculture; Olivia, Minn.; 6-21-67 to 6-20-68.

Roy M. Tucker, agriculture; Route 3, Hamilton, Miss.; 5-31-67 to 5-30-68.

J. M. Vann & L. W. Vann, agriculture; Pine House Farms, Trenton, S.C.; 6-5-67 to 6-4-68.

Vita-Fair, Inc., drug store; 816 South Calhoun, Fort Wayne, Ind.; 6-29-67 to 6-28-68.

Walnut Hall Farm, agriculture; Donerail, Ky.; 6-8-67 to 5-31-68.

R. M. Watson's Sons, agriculture; Ridge Spring, S.C.; 5-31-67 to 5-30-68.

James H. Woodard, agriculture; Route 2, Osceola, Ark.; 6-23-67 to 6-22-68.

Larry J. Woodard, agriculture; Lepanto, Ark.; 6-23-67 to 6-22-68.

F. W. Woolworth Co., variety stores from 6-28-67 to 6-27-68 except as otherwise indicated: No. 2372, Westminster, Colo.; No. 435, Newton, Kans.; No. 943, Columbia, Mo.; No. 1339, Sikeston, Mo.; No. 1169, Valley City, N. Dak. (6-29-67 to 6-28-68); No. 1128, Enid, Okla. (6-24-67 to 6-23-68); No. 2319, Mesquite, Tex. (6-24-67 to 6-23-68); No. 2441, San Angelo, Tex.

S. Workman & Sons, agriculture; 3610 South Getty Street, Muskegon, Mich.; 6-21-67 to 6-20-68.

The following certificates were issued to retail or service establishments relying on the base-year employment experience of other establishments, either because they came into existence after the beginning of the applicable base year or because they did not have available base-year records. The certificates permit the employment of full-time students at rates of not less than 85 percent of the statutory minimum in the classes of occupations listed, and provide for the indicated monthly limitations on the percentage of full-time student hours of employment at rates below the applicable statutory minimum to total hours of employment of all employees.

Big Star, food store; No. 117, Memphis, Tenn.; bag-stock clerk; 20 percent; 6-23-67 to 6-22-68.

Coborn's, Inc., food stores from 6-28-67 to 6-27-68, carryout clerk, stock clerk, 23.2 percent: Foley, Minn.; 327 South Fifth Avenue, St. Cloud, Minn.

Dan's Big Star, food store; No. 62, Memphis, Tenn.; bag-stock clerk; 20 percent; 6-23-67 to 6-22-68.

W. T. Grant Co., variety stores: No. 997, Mundelein, Ill. (salesclerk, stock clerk, office clerk, cashier, 9.3 percent, 6-27-67 to 6-26-68); 200 Cloverleaf Plaza, Concord, N.C. (salesclerk, 6.6 percent, 5-25-67 to 5-24-68); No. 1159, Madison, Wis. (salesclerk, office clerk, 9.1 percent, 6-24-67 to 6-23-68).

H. E. B. Food Store, food stores from 6-17-67 to 6-16-68, package carryout, sacker, bottle sorter, 13.4 percent: No. 110, Georgetown, Tex.; No. 109, Marble Falls, Tex.

Herberger's, department stores from 6-28-67 to 6-27-68, salesclerk, office clerk, marker, 5.5 percent: 522 Broadway, Alexandria, Minn.; 312 North Bridge, Chippewa Falls, Wis.; 426 Main Street, La Crosse, Wis.; 222-228 Third Street, Wausau, Wis.

S. S. Kresge Co., variety stores for the occupation of salesclerk: No. 4111, Birmingham, Ala. (15.8 percent, 5-8-67 to 5-7-68); No. 279, St. Paul, Minn. (10 percent, 6-9-67 to 6-8-68); No. 4182, Greensboro, N.C. (15.6 percent, 6-24-67 to 6-23-68).

S. H. Kress and Co., variety store; 4400 Dorchester Avenue, Charleston Heights, S.C.; salesclerk; 11.1 percent; 6-23-67 to 6-22-68.

McCrory-McLellan-Green Store, variety stores for the occupations of salesclerk, stock clerk, office clerk: No. 376, Freehold, N.J. (10 percent, 6-6-67 to 6-5-68); No. 397, Kutztown, Pa. (15 percent, 6-27-68 to 6-26-68).

Morgan & Lindsey, Inc., variety stores for the occupations of salesclerk, stock clerk, office clerk: No. 3120, Baton Rouge, La. (13.8 percent, 5-12-67 to 5-11-68); No. 3067, Metairie, La. (15.1 percent, 6-2-67 to 6-1-68); No. 3119, West Monroe, La. (9.8 percent, 6-2-67 to 6-1-68).

G. C. Murphy Co., variety stores for the occupations of salesclerk, stock clerk, office clerk, janitor, 12.3 percent except as otherwise indicated, 6-2-67 to 6-1-68 except as otherwise indicated: No. 296, Decatur, Ala.; No. 297, Gadsden, Ala.; No. 306, Huntsville, Ala.; No. 82, Atlanta, Ga. (8.6 percent, 5-25-67 to 5-24-68); No. 281, Dayton, Ohio (between 5.3 percent and 17.8 percent).

Piggly Wiggly, Inc., food stores for the occupations of bagger, carryout, 5-25-67 to 5-24-68 except as otherwise indicated: 2-6 Cooper Street, Evergreen, Ala. (9.9 percent, 6-2-67 to 6-1-68); 226 North Wanheska Street, Bonifay, Fla. (9.7 percent); Cotton Street, Graceville, Fla. (9.6 percent); West Lafayette Street, Marianna, Fla. (9.3 percent); Corner Brent Lane and Palafox Avenue, Pensacola, Fla. (9.7 percent); 209 West College Street, Colquitt, Ga. (9.6 percent).

Robilio-Sarno Big Star, food store; No. 76, Memphis, Tenn.; sack clerk; 9.7 percent; 6-23-67 to 6-22-68.

Scott Store, variety stores from 6-27-67 to 6-26-68, salesclerk, stock clerk, checkout clerk: No. 51, Aurora, Ill. (14.7 percent); No. 144, Columbus, Ind. (17.5 percent); No. 126, Muncie, Ind. (17.5 percent); No. 28, Sioux City, Iowa (11.6 percent); No. 132, Elizabethtown, Ky. (17.5 percent); No. 124, Fremont, Nebr. (11.6 percent); No. 22, Akron, Ohio (17.0 percent); No. 11, Cincinnati, Ohio (17.5 percent); No. 110, Reynoldsburg, Ohio (17 percent); No. 52, Xenia, Ohio (17 percent); No. 135, Zanesville, Ohio (17 percent); No. 35, Erie, Pa. (9.2 percent).

Schradco, apparel store; 4125 Sheridan Road, Peoria, Ill.; salesclerk, office clerk, marker; 2.0 percent; 6-28-67 to 6-27-68.

Sterling Stores Co., Inc., variety store; University and Markham Street, Little Rock, Ark.; salesclerk, stock clerk, janitor; 30.1 percent; 6-2-67 to 6-1-68.

T. G. & Y. Stores Co., variety store; No. 302, Kansas City, Kans.; salesclerk, stock clerk, office clerk; 17.9 percent; 6-22-67 to 6-21-68.

Tom Thumb Stores, Inc., food store; No. 36, Dallas, Tex.; package clerk; 13.7 percent; 6-24-67 to 6-23-68.

Vita-Fair, Inc., drug stores from 6-29-67 to 6-28-68, store clerk, stock clerk; 14.8 percent: 25 West Washington, Indianapolis, Ind.; 831 East Main Street, Richmond, Ind.; 113 South Michigan, South Bend, Ind.

Walnut Creek Minimax, food store; 5712 Menor Road, Austin, Tex.; package clerk, sack clerk, bottle clerk; 10 percent; 6-24-67 to 6-23-68.

F. W. Woolworth Co., variety stores from 6-28-67 to 6-27-68 except as otherwise indicated: No. 30, Des Moines, Iowa (checker, stock clerk, cleanup, salesclerk, between 5.0 percent and 10.1 percent, 5-12-67 to 5-11-68, Replacement); No. 820, Lawrence, Kans. (salesclerk, 9.7 percent); No. 2438, Ballwin, Mo. (salesclerk, 12 percent); No. 2660, St. Ann, Mo. (salesclerk, 12 percent); No. 2674, Bellevue, Nebr. (salesclerk, stock clerk, checkout, cleanup, 16.6 percent, 5-12-67 to 5-11-68, Replacement); 120 South 16th Street, Omaha, Nebr. (salesclerk, stock clerk, cleanup, checkout, 16.6 percent, 5-16-67 to 5-15-68, Replacement).

Each certificate has been issued upon the representations of the employer which, among other things, were that employment of full-time students at special minimum rates is necessary to prevent curtailment of opportunities for employment, and the hiring of full-time students at special minimum rates will not create a substantial probability of reducing the full-time employment opportunities of persons other than those employed under a certificate. The certificates may be annulled or withdrawn, as indicated therein, in the manner provided in Part 528 of Title 29 of the Code of Federal Regulations. Any person aggrieved by the issuance of any of these certificates may seek a review or reconsideration thereof within 15 days after publication of this notice in the FEDERAL REGISTER pursuant to the provisions of 29 CFR 519.9.

Signed at Washington, D.C., this 18th day of August 1967.

ROBERT G. GRONEWALD,
Authorized Representative of the Administrator.

[F.R. Doc. 67-10006; Filed, Aug. 28, 1967; 8:46 a.m.]

INTERSTATE COMMERCE COMMISSION

[Notice 439]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

AUGUST 24, 1967.

The following are notices of filing of applications for temporary authority under section 210a(a) of the Interstate Commerce Act provided for under the new rules of Ex Parte No MC 67 (49 CFR Part 340), published in the FEDERAL REGISTER, issue of April 27, 1965, effective July 1, 1965. These rules provide that protests to the granting of an application must be filed with the field official named in the FEDERAL REGISTER publication, within 15 calendar days after the date of notice of the filing of the application is published in the FEDERAL REGISTER. One copy of such protest must be served on the applicant, or its authorized representative, if any, and the protests must certify that such service has been made. The protest must be specific as to the service which such protestant can and will offer, and must consist of a signed original and six copies.

A copy of the application is on file, and can be examined at the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., and also in the field office to which protests are to be transmitted.

MOTOR CARRIERS OF PROPERTY

No. MC 2923 (Sub-No. 1 TA), filed August 18, 1967. Applicant: DAVID AZORSKY and JOSEPH WEIN, a partnership, doing business as Daves Trucking Company, 31 Purdy Avenue, Port Chester, N.Y. 10573. Applicant's representative: Charles H. Trayford, 137 East 36th Street, New York, N.Y. 10016. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Essential oils, materials processed from essential oils, empty drums and cans*, between Stamford, Conn., on the one hand, and, on the other, East Rutherford, N.J., for 150 days. Supporting shipper: Elan Chemical Co., Inc., 671 Hope Street, Stamford, Conn. Send protest to:

Stephen P. Tomany, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 346 Broadway, New York, N.Y. 10013.

No. MC 17683 (Sub-No. 24 TA), filed August 18, 1967. Applicant: ELM CITY OIL CO., INC., 73 Emerald Street, Keene, N.H. 03431. Applicant's representative: Arthur A. Greene, Jr., 40 Stark Street, Manchester, N.H. 03101. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Petroleum products*, in tank vehicles, from Springfield and Holyoke, Mass., to points in Windham and Windsor Counties, Vt., and Cheshire, Sullivan, Hillsboro, and Grafton Counties, N.H., for 180 days. Supporting shipper: Wyatt Massachusetts Terminal, Inc., 1053 Page Boulevard, Springfield, Mass. 01104. Send protests to: District Supervisor Ross J. Seymour, Bureau of Operations, Interstate Commerce Commission, 24 Hanover Street, Lebanon, N.H. 03766.

No. MC 30837 (Sub-No. 345 TA), filed August 18, 1967. Applicant: KENOSHA AUTO TRANSPORT CORPORATION, 4519 76th Street, Kenosha, Wis. 53141. Applicant's representative: Albert P. Barber (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Concrete pumping equipment*, mounted or unmounted on truck chassis, in straight or mixed truckload shipments, in secondary truckaway service from Gardena, Calif., to points in the United States, for 180 days. Supporting shipper: Thomsen Division, Royal Industries, 130 West Victoria Street, Gardena, Calif. 90247 (James R. Iverson, Controller). Send protests to: District Supervisor, Interstate Commerce Commission, Bureau of Operations, 135 West Wells Street, Room 807, Milwaukee, Wis. 53203.

No. MC 52579 (Sub-No. 81 TA), filed August 18, 1967. Applicant: GILBERT CARRIER CORP., 441 Ninth Avenue, New York, N.Y. 10001. Applicant's representative: Aaron Hoffman (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Wearing apparel* on hangers, from New Smyrna, Fla., to points in the New York, N.Y., commercial zone as defined by the Commission, for 150 days. Supporting shipper: Kingly Manufacturing Corp., 1350 Broadway, New York, N.Y. Send protests to: Paul W. Assenza, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 346 Broadway, New York, N.Y. 10013.

No. MC 52579 (Sub-No. 82 TA), filed August 18, 1967. Applicant: GILBERT CARRIER CORP., 441 Ninth Avenue, New York, N.Y. 10001. Applicant's representative: Aaron Hoffman (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Wearing apparel*, loose on hangers, and *materials and supplies* used in the manufacture thereof, between Fort Pierce, Fla., on the one hand, and, on the other, points in the New York, N.Y., commercial zone as defined by the Commission, points in Nassau and Westchester Counties, N.Y., and Bergen, Passaic, Essex, Hudson, and Union Counties, N.J., for 150 days. Supporting shipper: Blue Gem Apparel, 64 West 36th Street, New York, N.Y. 10018. Send protests to: Paul W. Assenza, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 346 Broadway, New York, N.Y. 10013.

No. MC 66562 (Sub-No. 2251 TA), filed August 18, 1967. Applicant: RAILWAY EXPRESS AGENCY, INCORPORATED, 219 East 42d Street, New York, N.Y. 10017. Applicant's representative: W. H. Marx (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *Commodities* generally moving in express service, including classes A and B explosives, (1) between Harrisburg and Sunbury, Pa., serving the intermediate point of Millersburg, Pa., from Harrisburg, Pa., in a northern direction over U.S. Highways 22–233, to intersection with Pennsylvania Highway 147 at Clarks Ferry Bridge; thence over Pennsylvania Highway 147 to Sunbury, Pa., and return over the same route. (2) Between Williamsport and Muncy, Pa., from Williamsport, Pa., in a southern direction over U.S. Highway 220, to intersection with Pennsylvania Highway 147; thence south on Pennsylvania Highway 147 to Muncy, and return over the same route. (3) Between Olean, N.Y., and Port Allegany, Pa., from Olean, in a southern direction over New York Highway 17 to intersection of New York Highway 305; thence south on New York Highway 305 to the intersection of Pennsylvania Highway 446; thence south on Pennsylvania Highway 446 to Pennsylvania Highway 155; thence south on Pennsylvania Highway 155 to Port Allegany, and return over same route. Restrictions: The service to be performed shall be limited to that which is auxiliary to or supplemental of express service of Railway Express Agency, Inc. Shipments transported shall be limited to those moving on through bills of lading or express receipts. Permission to tack requested: Applicant requests that the authority for the proposed operations, if granted, be construed as an extension, to be joined, tacked, and combined with R E A's existing authority in MC 66562 and subs thereunder, thereby, negating the restrictions against tacking or joinder customarily placed upon emergency and/or temporary authority, for 150 days. Supporting shippers: The Pierce Glass Co., Port Allegany, Pa., Backus Co., Smethport, Pa., Quaker State Oil Refining Corp., Oil City, Pa., Leonard Brynolf Johnson, 103 West Main Street, Smethport, Pa., Smethport Specialty Co., 1 Magnetic Avenue, Smethport, Pa., Pittsburgh Corning Corp., Port Allegany, Pa., Hamlin Bank & Trust Co., Smethport, Pa. Send protests to: Stephen P. Tomany, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 346 Broadway, New York, N.Y. 10013.

No. MC 111069 (Sub-No. 51 TA), filed August 17, 1967. Applicant: COLDWAY CARRIERS, INC., Post Office Box 38, Clarksville, Ind. 47130, State Highway 131. Applicant's representative: Ollie L. Merchant, 202 140 South Fifth Street, Louisville, Ky. 40202. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Frozen prepared foods*, from Clarksville, Ind., and Louisville, Ky., to points in Alabama, Georgia, Indiana, Kentucky, Missouri, Ohio, Tennessee, and West Virginia, for 180 days. Supporting shipper: Standard Foods, Inc., 1101 East Washington Street, Louisville, Ky. 40206. Send protests to: District Supervisor R. M. Hagarty, Bureau of Operations, Interstate Commerce Commission, 802 Century Building, 36 South Pennsylvania Street, Indianapolis, Ind. 46204.

No. MC 118696 (Sub-No. 3 TA), filed August 18, 1967. Applicant: FERREE MOVING AND STORAGE, INC., 601 Chamber of Commerce Building, Indianapolis, Ind. 46204. Applicant's representative: Walter F. Jones, Jr., 601 Chamber of Commerce Building, Indianapolis, Ind. 46204. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Mattresses, new furniture, and kitchen cabinets*, from points in Indiana (except Munster, Milan, Jasper, and English, Ind.) to points in Kentucky, Ohio, Pennsylvania, North Carolina, New York, Virginia, Wisconsin, Illinois, Missouri, Iowa, Rhode Island, Connecticut, Massachusetts, Maryland, and Michigan (except Battle Creek, Kalamazoo, and Grand Rapids, Mich.), for 180 days. Supporting shippers: Craddock Furniture Corp., Evansville, Ind., George Koch Sons, Inc., Post Office Box 358, Evansville, Ind., Hausske-Harlen Furniture Manufacturing Co., Peru, Ind. 46970, Peabody Seating Co., Inc., North Manchester, Ind. 46962, Bartels Manufacturing Corp., Evansville, Ind. 47707, Imperial Cabinet Co., Inc., 1524 South Walnut, Muncie, Ind., Dunbar Furniture Corp. of Indiana, Adams County, Ind., Royalmetal Corp., Royal Road, Michigan City, Ind. 46360, Louisville, New Albany and Corydon RR. Co., Corydon, Ind. Send protests to: District Supervisor R. M. Hagarty, Bureau of Operations, Interstate Commerce Commission, 802 Century Building, 36 South Penn Street, Indianapolis, Ind.

No. MC 126600 (Sub 2 TA), filed August 18, 1967. Applicant: EHRSAM TRANSPORT, INC., 108 North Factory, Enterprise, Kans. 67441. Applicant's representative: Clyde N. Christey, 641 Harrison Street, Topeka, Kans. 66603. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Commodities* as are dealt in, or used by wholesale and retail department stores, from points in Georgia and North Carolina to Abilene, Kans., under continuing contract with the A. L. Duckwall Stores Co., a corporation; Western Merchandise Co., a corporation, The A. L. Duckwall Stores Co., a corporation, doing business as Duckwall Warehouse Co.; and The A. L.

Duckwall Stores Co., a corporation, doing business as Alco Discount, for 180 days. Supporting shippers: The A. L. Duckwall Stores Co., a corporation; Western Merchandise Co., a corporation; The A. L. Duckwall Stores Co., a corporation, doing business as Duckwall Warehouse Co.; and The A. L. Duckwall Stores Co., a corporation, doing business as Alco Discount, Opalena and Cottage Streets, Abilene, Kans. 67410. Send protests to: I. C. Peterson, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 234 Federal Building, Topeka, Kans. 66603.

No. MC 129268 (Sub-No. 1 TA), filed August 21, 1967. Applicant: DAVID NELSON & SON, INC., 1346 54th Street, Kenosha, Wis. 53140. Applicant's representative: William C. Dineen, 412 Empire Building, 710 North Plankinton Avenue, Milwaukee, Wis. 53203. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *School equipment and component parts thereof*, finished and unfinished, and materials and supplies used in the manufacture thereof, between the manufacturing facilities of Arlington Seating Co., at Antioch, Aurora, and Chicago, Ill., Warsaw, Ind., and Racine and Kenosha, Wis., for 180 days. Supporting shipper: Arlington Seating Co., 6045 52d Street, Kenosha, Wis. 53140 (E. Pat Murphy, President). Send protests to: District Supervisor Lyle D. Helfer, Interstate Commerce Commission, Bureau of Operations, 135 West Wells Street, Room 807, Milwaukee, Wis. 53203.

By the Commission.

[SEAL] H. NEIL GARSON,
Secretary.

[F.R. Doc. 67-10123; Filed, Aug. 28, 1967; 8:49 a.m.]

CUMULATIVE LIST OF PARTS AFFECTED—AUGUST

The following numerical guide is a list of the parts of each title of the Code of Federal Regulations affected by documents published to date during August.

3 CFR

Page

PROCLAMATIONS:

3797 ... 11259
3798 ... 11373
3799 ... 11729
3800 ... 12035
3801 ... 12469

EXECUTIVE ORDERS:

11248 (amended by EO 11367) ... 12037
11327 (superseded in part by EO 11366) ... 11411
11365 ... 11111
11366 ... 11411
11367 ... 12037

PRESIDENTIAL DOCUMENTS OTHER THAN PROCLAMATIONS AND EXECUTIVE ORDERS:

Reorganization Plan No. 3 of 1967 ... 11669

4 CFR

20 ... 11313

5 CFR

213 ... 11313, 11375, 11515, 11609, 11770, 11847, 11981, 12383, 12437.
531 ... 12472
713 ... 11847
1001 ... 11113

7 CFR

6 ... 12437
52 ... 11467
201 ... 12155
210 ... 12083
319 ... 12471
354 ... 11981
401 ... 11731
407 ... 11755
601 ... 11515
701 ... 11117, 11261
718 ... 11755
724 ... 11203
725 ... 11413
728 ... 11609, 11755, 12083
792 ... 11515
793 ... 11515
893 ... 11467
905 ... 11203, 11375, 11467, 11697, 11756, 11984, 12438.
910 ... 11375, 11413, 11697, 11731, 11984, 12046, 12438.
915 ... 11731
917 ... 11516, 12439
919 ... 12398
921 ... 12083
922 ... 12155
923 ... 12156
924 ... 12472
925 ... 11413
927 ... 11698
944 ... 11756
945 ... 11698
958 ... 11203, 11261
980 ... 12156
987 ... 11847, 11848
989 ... 12157
993 ... 11313, 12472
1004 ... 11204, 11414

7 CFR—Continued

Page

1012 ... 11206
1013 ... 11444
1034 ... 12166
1050 ... 11207
1068 ... 11415
1073 ... 11130
1076 ... 12439
1090 ... 11130
1101 ... 11131
1103 ... 11132
1106 ... 11134
1125 ... 11925
1126 ... 11134
1128 ... 11134
1138 ... 11135
1421 ... 11376, 11848, 11928, 12046, 12176
1464 ... 11416
1488 ... 11416
1822 ... 11757, 12398
1823 ... 11417, 11425, 11621
1833 ... 11929
1891 ... 11417

PROPOSED RULES:

27 ... 11278
31 ... 12485
51 ... 12052
81 ... 11279
722 ... 11475
724 ... 11226
729 ... 11957
777 ... 11533
817 ... 11996
906 ... 11887
919 ... 11535
921 ... 11333
922 ... 11333
923 ... 11333
924 ... 11475
926 ... 11801
927 ... 11957
948 ... 11803
958 ... 11475
971 ... 12189
980 ... 11281
981 ... 11476, 12444
987 ... 11164
989 ... 11226
991 ... 11736
993 ... 11233, 11476
1004 ... 11334, 12444
1008 ... 12189
1032 ... 12005
1033 ... 11737
1034 ... 11535, 11887
1050 ... 12404
1060 ... 12516
1067 ... 11887
1073 ... 11233, 11566
1076 ... 11888
1099 ... 11709
1125 ... 11476, 11567, 12059
1133 ... 11476, 11957

8 CFR

100 ... 11628
103 ... 11628
204 ... 11628
211 ... 11516
212 ... 11516, 11628
214 ... 11517, 11628
231 ... 11517
235 ... 11628

8 CFR—Continued

Page

238 ... 11628
241 ... 11517
282 ... 11518
292 ... 11517
299 ... 11518
316a ... 11628

9 CFR

72 ... 11518
74 ... 11637
76 ... 11376
97 ... 12441
310 ... 11135

PROPOSED RULES:

102 ... 11801
201 ... 11334
318 ... 11385
328 ... 11238

10 CFR

2 ... 11379
8 ... 11379

PROPOSED RULES:

50 ... 11278, 11739
70 ... 11958
115 ... 11278

12 CFR

1 ... 11379, 11944, 11945
19 ... 11136
208 ... 11208, 11262
262 ... 11984, 12473
263 ... 11140
308 ... 11147
545 ... 11848
555 ... 12387
640 ... 12106

PROPOSED RULES:

220 ... 11237

13 CFR

108 ... 12387
120 ... 11770
121 ... 11208, 11732
122 ... 11699

14 CFR

25 ... 11629
37 ... 12106
39 ... 11154, 11209, 11314, 11380, 11381, 11630, 11704, 11849, 12050, 12110, 12387
71 ... 11154–11156, 11314, 11381, 11429, 11519–11521, 11630–11632, 11772, 11773, 11849, 11850, 12050, 12110–12113, 12388, 12442.
73 ... 11381, 11521, 11774
75 ... 11774, 12113, 12388
95 ... 11429
97 ... 11315, 11633, 11732, 11935, 12389
185 ... 12050
187 ... 12050
208 ... 11156
214 ... 11156
221 ... 11938
250 ... 11939
295 ... 11156
378 ... 11986
385 ... 11944, 11987

14 CFR—Continued

Page

1209 11209
1240 11262

PROPOSED RULES:

39 ..... 11166, 11335, 11336, 11882, 12065, 12066, 12405.
61 11573
71 ..... 11167, 11168, 11282, 11385, 11477, 11574–11576, 11643, 11803–11805, 11882, 12119–12121, 12449.
75 11336
91 11958
121 ..... 11160, 11477, 12405
202 11170
203 11170
216 11480
217 11337
221 12190
234 11883
375 11480
389 11278

15 CFR

60 12441
230 ..... 11765, 12441
370 11766
372 11766
373 ..... 11766, 12114
379 11767
385 11767
399 11767

PROPOSED RULES:

10 12059

16 CFR

13 ..... 11432, 11467
15 12176
302 11850

17 CFR

231 11705
240 11637

PROPOSED RULES:

274 11286
275 11288
279 11288

18 CFR

8 11640
300 12177

PROPOSED RULES:

601 11330

19 CFR

1 ..... 11945, 11987
8 ..... 11763, 12177
9 11764
10 ..... 11640, 11733, 11764
11 11764
12 11946
16 11765
17 12177
23 11641

PROPOSED RULES:

8 ..... 12116, 12481
25 ..... 11603, 12116

20 CFR

604 12177

21 CFR

8 11733
14 11733

21 CFR—Continued

Page

17 11733
19 11521
27 11263
120 ..... 11157, 11263, 11321, 12473, 12474
121 ..... 11157, 11432, 11521, 11734, 11988, 12474
141 ..... 11210, 11522
141a 11210
141d 11851
145 11523
147 11523
148i 12475
148n 11629, 11988
148z 11523
191 ..... 11322, 11323, 12475

PROPOSED RULES:

1 12060
3 12404
17 11576
121 ..... 11334, 11443

22 CFR

10 11641
92 11775
201 11264
502 11157

23 CFR

255 11776

24 CFR

7 11157
200 ..... 11468, 12475
201 11328
207 11526
221 11526
231 11526
1100 11526

25 CFR

52 11777
53 11779

26 CFR

1 11468
211 11210

PROPOSED RULES:

1 ..... 11217, 11533, 12182

28 CFR

0 11160

29 CFR

460 12178
462 11433
545 12383
681 12178
1500 11988

PROPOSED RULES:

512 12117

31 CFR

PROPOSED RULES:

306 11216

32 CFR

Ch. I 11382
1 12084
2 12097
3 12097
4 12097
5 12098
7 12098
9 12099

32 CFR—Continued

Page

10 12099
11 12099
12 12099
16 12101
18 12102
40 12179
163 11949
248 11706
280 11160
286a 12102
289 11780
518 11265
536 ..... 11469, 11780
730 11265
732 11851
800 11782
819a 11782
838 11783
882 11852
1001 12476
1002 12476
1004 12476
1005 12477
1007 12479
1008 12479
1260 11324
1453 12400

32A CFR

Ch. VI (BDSA):
Reg. 2 11734
Ch. X (OIA):
Reg. 1 11382

PROPOSED RULES:
Ch. X (OIA):
Reg. 1 ..... 11225, 11736

33 CFR

1 11210
207 12479

36 CFR

7 11988

38 CFR

3 11214
14 11162
17 11382

39 CFR

Ch. I 12252
113 12400
127 12400
142 11328
541 11527
742 ..... 11785, 12115
822 11984

41 CFR

5A–1 11384
5A–3 11384
5A–16 11384
5A–73 11384
6–1 12115
6–75 12115
9–1 ..... 11328, 11433
9–8 11328
9–15 11328
9–58 11328
11–3 ..... 11470, 11796
11–5 12442
101–25 12400
101–26 11162
101–27 12401
101–43 12402

PROPOSED RULES:

50–204 12449

42 CFR

Page

53 11875
54 11875
57 11875
59a 11875
77 11990
Ch. IV 11735

43 CFR

PUBLIC LAND ORDERS:

4261 11875
4262 11875
4263 11876
4264 11876

PROPOSED RULES:

23 12059
2244 11996
3170 11996
4120 11192

45 CFR

85 11947
121 11434
801 ..... 11440, 12180
1100 11215

46 CFR

Page

80 12479
308 11527

47 CFR

0 ..... 11213, 12180
1 11214
2 11991
17 11266
21 12040
64 11274
73 ..... 11214, 11471, 11472, 11531, 11708, 11796, 11876, 11877, 11879, 12402.
74 11991
87 11275
91 11992

PROPOSED RULES:

21 ..... 12005, 12121
73 ..... 11283, 11285, 11338, 11886, 12407
74 12121
87 11884
89 11958
91 12121

49 CFR

1 11276
3 11472

49 CFR—Continued

Page

5 11473
100 11214
191 11964
195 ..... 11277, 11948
197 11949
288 12402

PROPOSED RULES:

114 12008
124 11644
239 11477–11480
276 11170
288 12407
293 12190
424 11969

50 CFR

10 ..... 11163, 11642, 12039
32 ..... 11163, 11276, 11440, 11441, 11473, 11474, 11528–11531, 11707, 11734, 11735, 11797–11800, 11880, 11811, 11934, 12039, 12040, 12180, 12181, 12442
33 11531

PROPOSED RULES:

32 ..... 11224, 11801, 12404, 12444
33 12444
80 12481

FEDERAL REGISTER

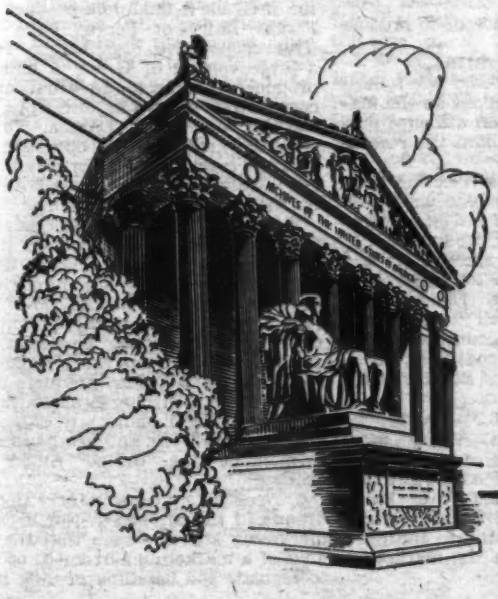
VOLUME 32 • NUMBER 167

Tuesday, August 29, 1967 • Washington, D.C.

PART II

Department of Agriculture

Consumer & Marketing Service



Milk in Minnesota-North Dakota Marketing Area

DEPARTMENT OF AGRICULTURE

Consumer and Marketing Service

[7 CFR Part 1060]

[Docket No. AO 360]

MILK IN MINNESOTA-NORTH DAKOTA MARKETING AREA

Decision on Proposed Marketing Agreement and Order

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), public hearings were held upon a proposed marketing agreement and order regulating the handling of milk in the Minnesota-North Dakota marketing area. The hearings were held at Fargo, N. Dak., on August 15–19, 1966, pursuant to notice thereof issued on July 5, 1966 (31 F.R. 9351), and subsequently at reopened hearings (to consider Class I pricing provisions) held jointly with certain other Federal order markets at Denver, Colo., on November 16–17, 1966, and on April 11–12, 1967. Official notice is taken of the respective decisions issued by the Department on the basis of these reopened hearings (31 F.R. 14946) issued November 23, 1966, and (32 F.R. 6501) issued April 25, 1967, pursuant to notices issued November 4, 1966 (31 F.R. 14407), and April 4, 1967 (32 F.R. 5696).

Upon the basis of the evidence introduced at the hearings and the records thereof, the Deputy Administrator, Regulatory Programs, on April 28, 1967 (32 F.R. 6872; F.R. Doc. 67–4920) filed with the Hearing Clerk, U.S. Department of Agriculture, his recommended decision, containing notice of opportunity to file written exceptions thereto.

The material issues, findings and conclusions, rulings and general findings of the recommended decision (32 F.R. 6872; F.R. Doc. 67–4920) are hereby approved and adopted and are set forth in full herein subject to the following modifications:

Index of changes. 1. Under issue 3a(1) "Order provisions—Marketing area":

A. A paragraph is added immediately following the list of counties comprising the marketing area.

B. The 38th paragraph ("Swift, Pope, and Todd Counties * * *") following the list of cities and populations is revised.

C. Immediately following the paragraph described in B, above, four paragraphs are added.

D. The 12th paragraph ("Foremost Dairies proposed the exclusion * * *") which follows the text added pursuant to C, above, is revised, and immediately following, three paragraphs are added.

2. Under issue 3a(2) "Order provisions—Milk to be priced and pooled":

A. Immediately following the 13th paragraph under subheading "Pool plant definition", two paragraphs are added.

B. Under subheading "Producer, diverted milk and producer milk definition", the 6th and 7th paragraphs are revised and a paragraph is added immediately following the 7th paragraph; the last paragraph of the discussion under this subheading is revised, and immediately following, three paragraphs are added.

3. Under issue 3c "Order provisions—Determination and level of class prices":

A. The 2d and 10th paragraphs under subheading "Class I price", are revised.

B. Two paragraphs are added following the discussion under subheading "Class II price".

C. The text of the third paragraph under subheading "Location differentials" is deleted and four paragraphs are substituted.

D. The sixth paragraph ("Distances should be measured * * *") following the text substituted pursuant to C, above, is revised.

4. Under issue 3d "Order provisions—Distribution of proceeds to producers" the second paragraph under the subheading "(2) Payments to produeers" is revised and the paragraph immediately following is revised and is divided into two paragraphs.

The material issues of record relate to:

1. Whether the handling of milk produced for sale in the proposed marketing area is in the current of interstate commerce, or directly burdens, obstructs, or affects interstate commerce in milk or its products;

2. Whether marketing conditions show the need for the issuance of a milk marketing agreement or order which will tend to effectuate the policy of the Act; and

3. If an order is issued what its provisions should be with respect to:

a. The scope of regulation;

b. The classification and allocation of milk;

c. The determination and level of class prices;

d. Distribution of proceeds to producers; and

e. Administrative provisions.

Findings and conclusions. The following findings and conclusions on the material issues are based on evidence presented at the hearings and the records thereof:

1. *Character of commerce.* The handling of milk in the proposed marketing area is in the current of interstate commerce in milk and milk products.

The marketing area specified in the proposed order, hereinafter referred to as the "Minnesota-North Dakota marketing area" includes all the territory within 41 contiguous counties in the States of Minnesota (22 counties), North Dakota (16 counties), and South Dakota (3 counties).

The principal cities in this area are: Fargo, Grand Forks, Valley City, Devils Lake, Wahpeton, and Grafton, N. Dak.; Moorhead, Fergus Falls, Bemidji, Crookston, Thief River Falls, East Grand Forks, and Detroit Lakes, Minn. The specific counties in the proposed area are listed in the marketing area discussion.

There are more than 50 handlers engaged in the distribution of fluid milk in the marketing area who would be regulated under the terms of the order as recommended herein. The Grade A milk supply and distribution areas of a number of these handlers, representing a substantial proportion of the total volume of Grade A milk associated with the market, extend beyond the boundaries of the State in which their plants are located.

The Land O'Lakes Creameries, Inc., is a large distributor of bottled milk in the area and is one of the largest distributors of butter and manufacturers of nonfat dry milk in the United States. Their plants located in Grand Forks, N. Dak., and Thief River Falls, and Brainerd, Minn., distribute fluid milk products extensively in both Minnesota and North Dakota. Milk is received at such plants from producers and member plants located in both such States.

The Cass-Clay Creamery, Inc., another major cooperative handler, receives milk at its Fargo, N. Dak., plant from producers located in North Dakota and Minnesota. Grade A fluid milk products are distributed from this plant into certain areas of Minnesota, North Dakota, and South Dakota. Manufactured grade milk as well as a substantial part of the Grade A receipts at the Fargo plant is manufactured into butter, ice cream, and dry milk which are disposed of in large part in markets located in other States. In addition, this handler ships regularly a quantity of bulk milk to a plant located in Montana.

Located across the Red River from Fargo is the Fairmont Foods Co. plant in Moorhead, Minn. This handler also receives Grade A milk from producers located in both Minnesota and North Dakota. It distributes Grade A products on routes extending into North Dakota, South Dakota, and Minnesota.

Another large processor and distributor of Grade A fluid milk products is the Fergus Dairy of Fergus Falls, Minn. This cooperative organization receives a large volume of Grade A milk from producer members and from member cooperatives located in Minnesota, North Dakota, and South Dakota. The distribution area of this cooperative organization covers a wide territory in western Minnesota, North Dakota, and northeastern South Dakota.

Record evidence clearly shows the free movement of milk across the respective State lines. Distribution of milk on routes in the adjoining cities of Fargo, N. Dak., Moorhead, Minn., and also Grand Forks, N. Dak., and East Grand Forks, Minn., emanates both from plants located in North Dakota and in Minnesota. Further, products manufactured from surplus Grade A milk at certain of these plants are shipped to Chicago, New York, and to other markets throughout the United States and abroad.

2. *Need for an order.* Marketing conditions in the Minnesota-North Dakota marketing area are such that the issuance of a marketing agreement or order to regulate the handling of milk in the

area will tend to effectuate the declared policy of the Act.

The Minnesota-North Dakota market as defined herein is characterized by unstable marketing conditions. The conditions which have resulted in unrest and instability in this area are typical of those often encountered elsewhere in the fluid milk industry in the absence of a well-defined, marketwide, classified pricing plan.

There is rather general agreement among producer interests in the market that the unstable marketing conditions in the area are such that an overall system of classification and pricing of milk should be adopted, and for such a system to be effected it must be created out of governmental authority.

The Minnesota-North Dakota market is a region of heavy milk production relative to population. Less than half of the producer milk which would be regulated is now used for Class I on an annual average. Thus, in an area relatively rural in nature the outlets available to producers for the sale of their milk in the highest valued uses are limited. This situation in a market which may be categorized as a "buyers market", has contributed to producer unrest and conditions of disorderly marketing in the attempts of producers to obtain proportionate shares of the higher valued Class I market.

The more than 50 handlers distributing milk in the area generally purchase milk from farmers according to their own pricing systems. There is, therefore, no uniformity in the type of pricing plans used in the area. Prices are not necessarily related to the uses of milk.

Since milk has a greater value when used for fluid products than for manufactured dairy products, the absence of a pricing system based on utilization creates disparities in handlers' costs of milk for the same uses. This, in turn, provides an incentive for handlers to shift the burden of such disparities to producers through still lower prices.

Certain handlers in the market with high proportions of their total utilization as Class I during the months of relatively low farm production purchase supplemental milk supplies from other handlers who have substantially lower utilization of their milk for Class I bottling purposes. In some cases the prices paid producers at the higher use plants are only slightly above those paid at the plants where such supplemental supplies are obtained. Also, the burden of carrying the necessary reserve supplies for the market is shifted to the suppliers of such supplemental milk.

Prices paid by certain distributors of Grade A milk are, therefore, determined in large part by the prices paid producers by one or another of the major handlers in the market. Hence, these prices are not based on the utilization of the particular handler involved.

In recent years, frequent price wars have adversely affected producer prices. Picketing of retail stores has been resorted to in an effort to secure higher milk prices for farmers. Further, milk producers in considerable numbers have shifted their patronage from one company to another in the hope that by realigning their cooperative affiliation they might increase the price they receive for their milk.

A uniform pricing plan applicable to all handlers buying milk for sale in the area would stabilize and improve marketing conditions in the area. Such a plan can be made effective in the area under the terms of a milk order issued pursuant to the provisions of the Agricultural Marketing Agreement Act, as amended.

An order which establishes a system of uniform prices, publicly announced and verified on an impartial basis, will eliminate the uncertainty about prices which has contributed to disorderly marketing conditions in the area. The order would contribute substantially to the improvement of many of the conditions complained of, and tend to effectuate the declared policy of the Act; namely by providing:

1. A regular and dependable procedure through public hearings for determining prices to producers at levels contemplated by the Act;

2. The establishment of uniform prices to handlers for milk received from producers according to a classified price plan based upon the utilization made of the milk;

3. An impartial audit of handlers' records to verify the payment of required prices;

4. A system for verifying the accuracy of the weight and butterfat content of milk purchased;

5. Uniform returns to producers supplying the market, based upon an equitable sharing among all producers of the lower returns for the sale of reserve milk which cannot be marketed in the Class I category; and

6. Marketwide information on receipts, sales, prices, and other data relating to milk marketing conditions in the area.

3. *Order provisions—a. Scope of regulation.* It is necessary to designate clearly what milk and which persons would be subject to the various provisions of the order. This is accomplished by providing specified definitions to describe the marketing areas involved and to describe the category of persons, plants, and milk products to which the applicable provisions of the order relate.

(1) *Marketing Area.* The Minnesota-North Dakota marketing area should include all the territory within the 41 contiguous counties as follows:

Counties in Western Minnesota	
Becker.	Marshall.
Beltrami.	Norman.
Big Stone.	Otter Tail.
Clay.	Pennington.
Clearwater.	Polk.
Douglas.	Red Lake.
Grant.	Roseau.
Hubbard.	Stevens.
Kittson.	Traverse.
Lake of the Woods.	Wadena.
Mahnomen.	Wilkin.

Counties in Eastern North Dakota	
Barnes.	Pembina.
Cass.	Ramsey.
Cavalier.	Ransom.
Dickey.	Richland.
Grand Forks.	Sargent.
Griggs.	Steele.
La Moure.	Traill.
Nelson.	Walsh.

Counties in Northeastern South Dakota	
Grant.	Roberts.
Marshall.	

For purposes of applying location differentials only, a base zone should be defined to include the Minnesota counties of Marshall, Polk, Pennington, Red Lake, Norman, and Clay; and the North Dakota counties of Grand Forks, Traill and Cass.

The 41-county area proposed for adoption represents a contiguous area roughly bisected by the Red River which marks the boundary separting Minnesota from North and South Dakota.

The sanitary requirements relative to the production, processing, and sale of fluid milk products are substantially the same throughout the area. Grade A products sold for human consumption throughout the area must meet the standards of health ordinances patterned after the U.S. Public Health Service Milk Ordinance and Code. Handlers who would be subject to full regulation distribute 95 percent or more of the milk sold in the area.

The 1960 census of population for the area proposed to be regulated was 639,666.[1] Two principal population centers are located in the Red River Valley area.

One comprises Cass County, N. Dak. (population 66,947), and Clay County, Minn. (population 39,080). These counties include two of the three largest cities in the marketing area, Fargo N. Dak., and Moorhead, Minn. The population of the two counties is about 16 percent of the total marketing area. The adjoining counties of Becker and Otter Tail, Minn., include the Cities of Fergus Falls (13,733) and Detroit Lakes (5,633) both less than 60 miles from Moorhead, Minn. The total population in this four-county area is about 30 percent of the total marketing area.

The other population center in the Red River Valley area surrounds Grand Forks, N. Dak., located approximately 75 miles north of Fargo.

Within the contiguous counties of Grand Forks, N. Dak. (population 48,677), and Polk, Minn. (population 36,182), are the cities of Grand Forks, N. Dak. (34,451); East Grand Forks, Minn. (6,998); and Crookston, Minn. (8,546); with a combined population equal to 8 percent of the total marketing area. The two counties have a population of 84,859, about 14 percent of the total marketing area.

Other cities in the area with populations in excess of 5,000 are shown below:

[1] All population figures hereinafter cited are based upon the 1960 census unless otherwise noted.

Minnesota		*North Dakota*	
Bemidji	9,858	Valley City	7,809
Thief River Falls	7,151	Devils Lake	6,290
Alexandria	6,713	Wahpeton	5,676
		Grafton	5,885

In general, except for the aforementioned cities, the remaining communities throughout the proposed marketing area are under 5,000 population each.

The largest urban centers in the three South Dakota counties of Grant, Marshall, and Roberts included in the marketing area, are Milbank, Grant County (3,500); Sisseton, Roberts County (3,218); and Britton, Marshall County (1,442).

The rural nature of much of the marketing area is evident. In 37 counties less than 50 percent of the total population is classified as urban.

Because a significant portion of the sales of fluid milk by handlers who would be regulated is in relatively rural communities it is important that the marketing area be defined on a county boundary basis rather than on a basis of city boundaries.

A 43-county area was proposed by Land O'Lakes Creameries, Inc., one of the principal handlers distributing fluid milk and milk products throughout the marketing area. This area, with certain proposed modifications, generally was supported by all the producer organizations as well as by the other principal handlers in the market.

The Red River Valley Milk Producers Pool, a bargaining group representing both members of cooperative associations, and nonmembers, and 8 producer cooperative associations doing business in the area were coproponents of a proposal (supported by Land O'Lakes Creameries) to extend the proposed 43-county area to include the 7 additional Minnesota counties of Beltrami, Big Stone, Clearwater, Hubbard, Lake of the Woods, Roseau, Swift, and that part of Polk County lying east of U.S. Highway 59, all located in the northeast segment of the marketing area. They proposed also to include the three South Dakota counties of Grant, Marshall, and Roberts, located in the northeast corner of the State.

With respect to the Minnesota counties proposed for inclusion in the marketing area controversy centered chiefly on the 4 counties of Stevens, Douglas, Todd, and Pope which were included in the 43-county area initially proposed by Land O'Lakes. Also in dispute was the inclusion of some or all of the seven-county area[2] proposed by Red River Valley Milk Producers Pool et al.

Concerning the area in North Dakota proposed to be regulated there was opposition to inclusion of some or all of the proposed area generally west of North Dakota Highway No. 1.

Two handlers proposed that in the event certain specified areas in North Dakota were to be regulated then the entire State of North Dakota should be included in the marketing area.

[2] The northeastern segment of the market and the 3 South Dakota counties as described.

Four major handlers have bottling plant facilities located in or near the two principal urban population centers discussed above, and distribute fluid milk and fluid milk products into these localities as well as throughout the marketing area.

The Land O'Lakes Creameries, Inc., is a major distributor of bottled milk in the proposed marketing area. They operate bottling plants located at Grand Forks, N. Dak. (Grand Forks County); Thief River Falls, Minn. (approximately 60 highway miles northeast of Grand Forks in Pennington County); and Crookston, Minn. (approximately 25 miles southeast of Grand Forks in Polk County). In addition to their bottling operations, ice cream is manufactured at the Grand Forks plant and the operations at the Crookston plant include cottage cheese manufacturing.

The Land O'Lakes plants located at Grand Forks, N. Dak., Thief River Falls, and Crookston, Minn., distribute fluid milk products throughout 29 of the 41 counties of the recommended marketing area. The Thief River Falls plant distributes bottled milk directly on routes in the area and also through member plants located in various localities throughout the market. In the Minnesota counties of Roseau and Lake of the Woods, Grade A milk is received by a member plant of Land O'Lakes, some of which is bottled at this plant and distributed in the city of Roseau. A portion of the Grade A receipts at this plant is shipped to the Land O'Lakes plant at Thief River Falls where it is packaged and distributed back into the counties of Roseau and Lake of the Woods.

The Cass-Clay Creamery, Inc., a cooperative association located at Fargo, N. Dak., is engaged in the processing and distribution of fluid milk and fluid milk products as well as the manufacture of butter, dry milk powder, and ice cream. Cass-Clay has fluid milk route distribution extending into about 25 of the 41 counties in the marketing area.

The Fairmont Foods Co. located at Moorhead, Minn., processes and distributes fluid milk products and manufactures ice cream and cottage cheese. Its distribution of Grade A fluid milk extends into all but 2 of the 41 counties in the proposed area. It also has significant sales in the South Dakota area included in the proposed marketing area, particularly around Sisseton, S. Dak.

The Fergus Dairy at Fergus Falls (Otter Tail County), Minn., processes fluid milk for bottling and manufactures butter, nonfat dry milk, and dry buttermilk.

In addition, the Fergus Dairy organization bottles all Class I milk sold by the North Star Dairy at Fergus Falls (Otter Tail County), Minn., the North Star Dairy at Detroit Lakes (Becker County), Minn., and the North Star Dairy plant at Fargo, N. Dak., which is owned by the Fergus Dairy. Further, they bottle all Grade A milk sold by B & W Dairy, Breckenridge, Wilkin County, Minn.; the Carlson Dairy, Alexandria, Douglas County, Minn.; and most of the packaged fluid milk products for the Morris Creamery Co., Morris, Stevens County, Minn. Overall, the Fergus Dairy sells in about 21 counties of the marketing area.

The four handlers described above receive milk from about 1,250 of approximately 1,360 dairy farmers who supply Grade A milk to plants which may qualify as pool plants under the recommended order. It is estimated that the milk from the 1,360 Grade A farms would amount to about 420 million pounds annually.

There are an estimated 55 bottling plants that have route disposition in the marketing area, most of which would be fully regulated under the order. One of these plants is located in South Dakota, 20 are located in North Dakota, and the remainder in Minnesota.

In addition, there are an estimated 33 plants which supply Grade A milk to plants which are distributing milk on routes in the marketing area. Except for 1 such plant located in Richland County, N. Dak., the remaining 31 plants are located in Minnesota.

There is extensive competition among handlers for fluid milk sales throughout the proposed marketing area. Of the 41 counties in the marketing area there are 13 in which each of the 4 largest handlers compete for sales, 11 counties where 3 of the 4 handlers compete, and 16 counties where 2 of the 4 do business. These handlers have 50 percent or more of the total business in 36 of the 41 counties in the proposed marketing area.

The Land O'Lakes plant at Thief River Falls supplies over half of the total sales in Kittson County, Minn. Its principal competitor for sales in this county is the Minnesota Dairy Co. located at Grand Forks, N. Dak. The Minnesota Dairy Co. is in competition with one or more of the major handlers in at least seven other Minnesota and North Dakota counties in the proposed marketing area.

In Grand Forks County, N. Dak., the Minnesota Dairy and the Land O'Lakes plants (both of which are located at Grand Forks, N. Dak.) each have about 40 percent of the total county sales. This area represents a major distribution area for the Land O'Lakes plants at Grand Forks and Thief River Falls. Over 42 percent of the combined sales from these two plants is sold in this county.

In the county of Wadena, Minn., the four major handlers have an aggregate of 35 to 45 percent of the total distribution and a plant located at Wadena (Wadena County) is shown to have about 40 percent of the distribution. Thus, the proportion of total county sales reflected by the four handlers and the local handler is substantial. The county is 1 of the 43 counties initially proposed by Land O'Lakes as part of the marketing area.

The addition to the marketing area of Beltrami and Hubbard Counties, Minn., was supported by the Bemidji Cooperative Creamery Association, a member creamery of Land O'Lakes, which operates a distributing plant in the city of Bemidji (Hubbard County), Minn.

About 55 percent of the Bemidji plant's bottled sales are in Beltrami County and about 10 percent in Hubbard County. The plant is estimated to have at least 40 percent of the total sales in Beltrami County and about 10 percent of the total distribution in Hubbard County.

Of the approximately 250 producers supplying this plant 50 are Grade A. In the past year about 25 to 28 percent of the plant's Grade A receipts were shipped in bulk to the Land O'Lakes bottling plant located at Thief River Falls, Minn. The Thief River Falls plant in turn packages fluid milk which is distributed in Beltrami County from a plant located at Blackduck (Beltrami County) Minn. The Blackduck plant accounts for about 8 percent of the sales in Beltrami County.

A Thief River Falls plant also supplies a major portion of the packaged fluid milk sold in the two-county area by another distributor located in Bemidji. The portion of total sales in Beltrami and Hubbard Counties sold by this distributor amounts to about 8 percent and 10 percent, respectively.

Another local plant receives its packaged milk supply from the Bemidji Creamery Association and has about 8 percent of the business in Beltrami County.

The Fairmont Foods plant at Moorhead has about 8 percent of the sales in Beltrami County and 5 percent in Hubbard County. The Cass-Clay Creamery, Inc., is estimated to have 30 percent of the fluid milk sales in Hubbard County.

The county of Clearwater, Minn., is primarily rural in character (8,864 population with a density of about eight persons per square mile) and although not an area of substantial sales volume it is within a general area of cross distribution by handlers who would be regulated under the order.

A proprietary handler with a bottling plant located at Brainerd, Minn., opposed the inclusion of the Minnesota counties of Beltrami, Big Stone, Clearwater, Hubbard, Polk (east of U.S. Highway 59), and Swift, and the South Dakota counties of Grant, Marshall, and Roberts. This plant receives its regular supply of milk from 28 producers and receives supplemental milk supplies on a seasonal basis from two plants located respectively in Stearns County and Todd County, Minn.

This handler estimated that about 10 percent of the plant's Class I sales were on routes in the 43-county area initially proposed. However, with the exclusion (as proposed elsewhere in these findings) from the regulated area of Todd and Swift Counties, where the plant handler has several accounts, the percentage would be expected to be somewhat less. This could be more than offset by the fact that about 5 percent of the plant's sales are in Beltrami County, about 2 percent in the combined area of Clearwater and Polk Counties, and minor sales in Hubbard and Big Stone Counties, Minn., and Grant County, S. Dak.

A handler operating a plant located at Park Rapids (Hubbard County) Minn., also opposed the inclusion of Hubbard County. Estimates of this handler's proportion of total county sales range from 25 to over 50-percent. About 1 percent of this handler's sales is made in Becker County, from 3 to 4 percent in Wadena County and the remaining portion in Hubbard County. With the inclusion of Beltrami and Hubbard Counties for reasons discussed above, it may be expected that the plant located at Park Rapids will be fully regulated under the order. Another handler located at Nevis in Hubbard County is known to have sales in both Hubbard and Wadena Counties and probably would be fully regulated under the order. This handler did not testify at the hearing.

Some dispute centered on a six-county area in Minnesota comprising Big Stone, Swift, Douglas, Stevens, Pope, and Todd Counties.

The counties of Big Stone, Douglas, and Stevens should be included in the marketing area. At least 75 percent of the total fluid milk sales in Big Stone County are distributed by three of the four major handlers.

A proprietary plant operation located at Alexandria (Douglas County) is estimated to have at least 50 percent of the total sales in Douglas County. Although this handler is opposed to the inclusion of this county in the marketing area his total supply of milk for fluid use is obtained from two plants which are members of the Fergus Dairy organization. In addition, Fergus Dairy and Land O'Lakes Creameries are shown to have about 30 percent of the total county sales in addition to the 50 percent or more distributed by the local proprietary handler.

A similar situation exists in Stevens County where a proprietary handler who objected to the regulation of Stevens County is shown to have about 40 percent of the total county distribution. About 80 percent of this plant's receipts is from a member cooperative of the Fergus Dairy organization. An additional 30-40 percent of the total county sales is distributed by three of the four major handlers previously referred to.

Swift, Pope, and Todd Counties should not be included in the marketing area. A substantial proportion of the distribution in these counties is from plants whose major distribution is outside the area to be regulated and whose principal competition is from plants which would not be subject to regulation under the order.

A proprietary handler located and doing business in Douglas County and one operating in Stevens County excepted to the inclusion of the respective counties in the marketing area as adopted in the recommended decision. Another proprietary handler located outside of the marketing area as adopted but doing business in Douglas and Stevens Counties also excepted to their inclusion. A representative for the Red River Valley Milk Producers Pool, et al. excepted on their behalf to the exclusion of the counties of Pope and Todd from the recommended marketing area. The order proponents also excepted to the exclusion of Todd County.

Record evidence concerning marketing conditions and institutional factors relating to the dairy industry in these and other counties proposed for inclusion in the marketing area included figures introduced by several witnesses showing the proportion of total sales in each of the several counties that various handlers were estimated to have. In some cases there were substantial differences in such figures as they related to a particular handler's distribution of milk in certain counties.

Such estimates relating to a milk distributor located outside the marketing area but doing business within Pope and Todd Counties ranged from 23 to 55 percent with respect to Pope County and from 3 percent to 75 percent in the case of Todd County. With respect to these two counties, the record evidence was not extensive enough to resolve such differences and further, to support a conclusion that either of such counties should be included as a part of the defined marketing area.

On the other hand, there was substantial evidence to warrant the conclusion that Douglas and Stevens Counties are an integral part of the Minnesota-North Dakota marketing area. A careful review of the record, therefore, in light of exceptions filed does not show that a change in the marketing area from that recommended is warranted.

Concerning the North Dakota counties proposed to be included in the marketing area one handler with a bottling plant located at Rugby (Pierce County), N. Dak., proposed that North Dakota Highway No. 1 serve as the western boundary of the marketing area. The handler also proposed that if any territory west of this highway were included in the marketing area, then such area should include the entire State of North Dakota. This proposal was modified at the hearing to suggest that the two counties of Rolette and Pierce, N. Dak., where this plant has a substantial volume of its total fluid milk sales, be excluded from the marketing area.

Foremost Dairies, Inc., proposed that, in the event the eight North Dakota counties of: Dickey, Eddy, Foster, Griggs, Kidder, La Moure, Stutsman, and Wells are included in the marketing area, such area should be extended to include the entire State of North Dakota.

It is concluded that nine North Dakota counties, generally comprising the western tier of the 43-county area initially proposed by Land O'Lakes, should not be included in the marketing area. These counties (listed, generally on a north to south basis) are: Rolette, Towner, Pierce, Benson, Wells, Eddy, Foster, Kidder, and Stutsman.

Inclusion of the nine-county area would bring under full or partial regulation a number of handlers whose principal competition for sales is with handlers who would not be regulated under the order.

A substantial part of the distribution in Pierce and Rolette Counties comes from the plant in Rugby (Pierce County), N. Dak. An estimated 50 to 75 percent of

the total sales in Pierce County and some 25 to 35 percent in Rolette County emanate from the Rugby plant.

A handler whose plant is located at Bottineau, N. Dak. (outside and to the west of the area adopted), has about 25 percent of the business in Rolette County. This handler is the principal distributor in Bottineau County and is in competition for sales with handlers located at Minot, N. Dak.

A handler located at Maddock (Benson County) has the largest part of the total sales in Benson County.

A plant located at Cando (Towner County) accounts for about 30 percent of the sales in Towner County; the Rugby plant accounts for another 10 percent.

The counties of Pierce, Rolette, Towner, and Benson, therefore, constitute a primary sales area for these local handlers. While the area is also served to a minor extent from the Land O'Lakes plant at Grand Forks and the Fairmont plant at Moorhead, these handlers would not be disadvantaged in the absence of regulation of the four-county area. Orderly marketing does not require their inclusion in the marketing area.

The five North Dakota counties of Wells, Eddy, Foster, Kidder, and Stutsman likewise should not be included in the marketing area.

Over 50 percent of the total fluid milk business in each of the counties of Wells, Eddy, Foster, and Kidder is from plants located either within or to the west of these counties. More than half of the total sales in Stutsman County are supplied from plants so located and the remainder from plants located at Grand Forks and at Fargo and Moorhead.

Foremost Dairies proposed the exclusion of the five counties from the marketing area together with the counties of Dickey, Griggs, and La Moure so as to avoid full regulation under the order.

It excepted to the inclusion in the marketing area of the latter three counties as adopted (in the recommended decision issued Apr. 28, 1967) on the basis that its Mandan plant would be a partially regulated distributing plant under the terms of the order by virtue of its sales into these three counties.

This exception is overruled since the three counties are served in large part by handlers who would be fully regulated under the order.

Three of the four major handlers in the Minnesota-North Dakota marketing area have 40 percent or more (the estimates range from 40 to 88 percent) of the total fluid milk sales in Dickey County, over 55 percent of such sales in La Moure County, and in Griggs County two of the four handlers have 65 percent or more of the sales.

Of the Mandan plant's total fluid milk distribution, about 4.5 percent is in the three-county area.

A proprietary handler whose plant is located at Jamestown (Stutsman County) supported the inclusion of Stutsman County in the marketing area. Seventy percent of this handler's sales is in the city of Jamestown, and the remaining 30 percent is divided between Fargo and Moorhead. About one-half of 1 percent of the sales in Stutsman County is supplied by this handler. It was not shown that the absence of regulation of Stutsman County would seriously affect the sales operations of this handler.

There is cross distribution within the area in North Dakota excluded from the marketing area between handlers who are located within or to the west of such area and those handlers whose principal business is in the area proposed for regulation herewith.

However, it is neither administratively feasible nor necessary to include in the marketing area all territory in which handlers to be regulated distribute milk.

In the matter of the proposal to include the entire State of North Dakota, there was not sufficient evidence to permit serious consideration at this time.

Territory within the boundaries of the designated marketing area which is occupied by Government (municipal, State, or Federal) reservations, installations, institutions, or other establishments shall be considered as within the marketing area. No proposal was made to exempt sales by a handler in such territory (or to any such agency) from the provisions of the order. Also, no evidence was presented at the hearing which would justify such exemption.

To avoid any question as to the point of delivery in instances where such an installation is partly within and partly without the designated boundaries, the marketing area should include the entire area encompassed by such an installation.

All producer milk received at regulated plants must be made subject to classified pricing under the order regardless of whether it is disposed of within or outside the marketing area. Otherwise the effect of the order would be nullified and the orderly marketing process would be jeopardized.

If only a pool handler's "in-area" sales were subject to classification, pricing and pooling, a regulated handler with Class I sales both inside and outside the marketing area could assign any value he chose to his outside sales. He thereby could reduce the average cost of all his Class I milk below that of other regulated handlers having all, or substantially all, of their Class I sales within the marketing area. Unless all milk of such a handler were fully regulated under the order, he in effect would not be subject to effective price regulation. The absence of effective classification, pricing and pooling of such milk would disrupt orderly marketing conditions within the regulated marketing area and could lead to a complete breakdown of the order. If a pool handler were free to value a portion of his milk at any price he chooses, it would be impossible to enforce uniform prices to all fully regulated handlers or a uniform basis of payment to the producers who supply the market. It is essential, therefore, that the order price all the producer milk received at a pool plant regardless of the point of disposition.

Limited quantities (as provided) of Class I milk may be sold within the regulated marketing area from plants not under any Federal order. There is, of course, no way to treat such unregulated milk uniformly with regulated milk other than to regulate it fully. Nevertheless, it has been concluded that the application of "partial" regulation to plants having less association than required for market pooling would not jeopardize marketing conditions within the regulated marketing area.

The operator of the partially regulated plant is afforded the options of (1) Paying an amount equal to the difference between the Class I price and the uniform price with respect to all Class I sales made in the marketing area; (2) purchasing at the Class I price under any Federal order sufficient Class I milk to cover his limited disposition within the marketing area; or (3) paying his dairy farmers an amount not less than the value of all their milk computed on the basis of the classification and pricing provisions of the order (the latter representing an amount equal to the order obligation for milk which is imposed on fully regulated handlers).

While all fluid milk sales of the partially regulated plant are not necessarily priced on the same basis as fully regulated milk, the provisions described are, however, adequate under most circumstances to prevent sales of milk not fully regulated (pooled) from adversely affecting operation of the order and the fully regulated milk.

(2) *Milk to be priced and pooled.* The minimum Class I prices under the order are intended to apply to that milk which is produced in compliance with the Grade A inspection requirements of a duly constituted health authority and which is regularly received at plants substantially engaged in serving the fluid needs of the order market.

It is concluded elsewhere in this decision that a marketwide system of pooling proceeds for Grade A milk received from dairy farmers at pool plants is essential for the promotion of efficient and orderly marketing of milk in the marketing area.

It is also concluded that delivery performance should be the measure of whether a plant is sufficiently identified with the market to be fully subject to the pricing and pooling provisions of the order. It must necessarily apply uniformly to all plants.

The standards for pool participation are discussed below in connection with the definition of a pool plant.

Any plant regardless of its location should have equal opportunity to comply with the standards of regulation and have its producers share in the available Class I sales. Whether the plants and producers choose to supply the Minnesota-North Dakota order market will depend on the economic circumstances with which they are confronted such as prices, transportation costs and alternative outlets.

The specific standards of performance which may be used to determine which plants and what milk constitute the regular sources of supply, and therefore, should be fully subject to regulation, may be identified by appropriate

definition of the terms "plant," "route," "distributing plant," "supply plant," "pool plant," "nonpool plant," "handler," "producer," "producer-handler," "producer milk," and "other source milk."

Plant definition. A plant definition is needed to assist in defining the particular operations which are to be subject to regulation and to simplify the drafting of the other order provisions. Under the "plant" definition herein provided, all of the operations conducted on the premises of an establishment operated as a single unit for the purpose of receiving milk for assembly and transfer, or for processing and packaging milk and milk products are considered as operations of a plant. A facility or establishment functioning only as a transfer point for transferring milk from one tank truck to another tank truck, or as a distribution depot for storage of packaged fluid milk products in transit for route disposition should not be considered to constitute a plant.

Because of the difference in marketing practices and functions between distributing plants and supply plants, separate performance standards are provided for them. A "distributing plant" under the order would be defined as a plant that is approved by an appropriate health authority for the processing or packaging of Class I milk and from which any fluid milk product is disposed of during the month on routes. Plants which supply Grade A milk to distributing plants are termed "supply plants."

Route definition. To assist in the identification of those plants which are to be subject to full regulation a "route" definition is provided.

The term "route" would mean the delivery of any fluid milk product classified under the order as Class I to retail or wholesale outlets other than a delivery to another plant or to a distribution point.

Fluid milk products may be moved from a milk plant to a facility such as a warehouse, loading station or storage plant. The distribution from such latter point would be considered as a route from the milk plant. To do otherwise would be inappropriate because it would consider the disposition of fluid milk products to have been made at the temporary storage facility instead of at the location at which such products are received by retail and wholesale purchasers.

Disposition by a vendor is treated as a route disposition of the plant from which such disposition occurs.

Pool plant definition. A distributing plant would qualify as a pool plant under this order any month during the period of July through February in which at least 25 percent of the Grade A receipts at such plant during the month is disposed of as Class I milk. For any month during the period of March through June such qualifying percentage is 20 percent. The lesser minimum standards for the months of March through June would provide additional flexibility for a handler in qualifying his plant for pool status during these months when milk production of producers is generally higher than the market year-round average.

A further requirement that at least 15 percent of the distributing plant's Grade A receipts be disposed of as Class I sales within the marketing area on routes is designed to include in the pool only those plants which have more than an incidental association with this market.

These performance standards are designed to permit the inclusion in the market pool of producer milk at all plants which now furnish milk for fluid use in the area. These plants are located in a region of heavy milk production relative to population. Hence, the opportunity for making fluid sales locally is limited. Many of these plants which serve the local fluid market also operate as factories for manufacturing dairy products. Less than half of the producer milk which would be regulated is now used in Class I on an annual average. There are variations in the percentages of Class I use among plants and month-to-month differences in the same plants. Hence, the minimum percentage of Class I use which each distributing plant (or plant system) must maintain to be pooled should be less than the market average use. The proposed percentages of 25 percent and 20 percent in the respective months will provide this flexibility.

Many of the distributing plants are combination plants with manufacturing facilities to process the reserve supplies of the market not needed for fluid use. In the case of a handler operating more than one distributing plant it should be provided that the combined receipts and Class I disposition of all such plants may be the basis for determining the 25 percent requirement (20 percent, March through June). This will permit more efficient utilization of plant facilities.

To prevent inclusion in the market-wide pool of a plant whose primary association is with another market, each individual plant in such a system must continue to meet the requirement that 15 percent of its total Grade A receipts be distributed as Class I milk on routes within the marketing area.

A distributing plant meeting the pooling requirements of more than one order should in general be regulated under the order covering the area in which it has the greater proportion of its distribution. However, recognition should be given to the adverse effects of inadvertent shifting from month to month by a plant regularly associated with the Minnesota-North Dakota market.

A handler operating a pool distributing plant which would have been subject to regulation under this order and would continue to meet the pool plant standards provided herein generally should not become subject to another order unless it has disposed of more milk on routes in such other marketing area than in the Minnesota-North Dakota marketing area for 3 consecutive months. This will afford the handler reasonable notice that full regulation of his plant is shifting from one order to another and will afford him the opportunity to make adjustments in his business if he desires to do so.

If, nevertheless, the provisions of the other order require such plant to be pooled thereunder, the plant should be exempt from regulation under this order. In order that the market administrator may be fully apprised of the continuing status of such a plant, however, the operator thereof should, with respect to the total receipts and utilization or disposition of skim milk and butterfat at the plant, make reports to the market administrator at such time and in such manner as the market administrator may require and allow verification of such reports by the market administrator.

Provision should also be made to exempt from regulation under this order a plant which may, for 1 or 2 months, dispose of a greater proportion of milk in this marketing area than in the area of the order to which it has been subject to regulation if such other order contains a provision similar to that recommended herein.

A supply plant would qualify as a pool plant under this order in any month during which 25 percent or more of its receipts of Grade A milk from dairy farmers is shipped as fluid milk products to a distributing pool plant.

Demand for milk from supply plants is usually greatest during the season of low production. During the months of flush production direct farm supply of milk received at a distributing plant may be sufficient to supply the Class I outlets. During this part of the year it would be more economical to leave the milk received at supply plants in the country for manufacture into dairy products at such plants and use the milk received directly at distributing plants for Class I use.

The performance provisions should not force milk to be transported to distributing plants in the months of seasonally high production in order to maintain the eligibility of supply plants to pool.

Any supply plant, therefore, which meets the 25 percent shipping requirements as described for each of the months of August through November would be granted pool status during the following months of March through June without specified shipments. Such pool status would be automatic unless the operator of such plant notifies the market administrator in writing before the first day of any such month that he desires to withdraw his supply plant from pooling. The plant would thereafter be a nonpool plant until it again met the shipping requirements set forth above.

In his exceptions, one handler reiterated his proposal for a 20 percent in-area sales standard for pool distributing plants and a 40 percent (or slightly less) total Class I sales requirement in lieu of the 15 and 20–25 percent requirements, respectively, as proposed by the order proponents and as adopted herein. This handler suggested also that a supply plant be required to ship at least 40 percent of its producer receipts as fluid milk products to pool plant(s) in order to meet the pooling requirements of the order.

For reasons stated above, the standards adopted herein for the pooling of distributing and supply plants are

deemed to provide a reasonable and appropriate measure as to whether or not a plant is sufficiently identified with the market without, at the same time, excluding from pool participation handlers whose plants have been a regular and dependable source of fluid milk supply for the market.

In some markets reload points under the bulk handling method serve a function similar to that of a supply plant. The extent to which separate reloading facilities are now employed in moving bulk milk to this market is not clear from the record. In the absence of specific marketing data concerning reload points it is concluded that a definition of reload point should not be included in the order. Such a definition and its application to pricing, location differentials, and performance requirements may be considered at some future time if it appears that such a provision would facilitate the orderly marketing of milk under the order adopted herein.

Nonpool plants. A plant which supplies fluid milk to the market but in a lesser volume than that required to qualify as a pool plant under the standards set forth herein would be a nonpool plant. The term nonpool plant is further broken down to define such categories as "other order plant," "producer-handler plant," "partially regulated distributing plant," and "unregulated supply plant."

Handler definition. The impact of regulation under an order is on handlers. As herein provided, the definition includes (a) any person (including a cooperative association) in his capacity as the operator of one or more pool plants; (b) a person operating a partially regulated distributing plant; (c) a cooperative association with respect to producer milk diverted from a pool distributing plant to a nonpool plant for its account; (d) a cooperative association with respect to its members' milk delivered in a tank truck owned, operated by, under contract to, or under its control from the farm to a pool plant of another handler; (e) a person in his capacity as the operator of an other order plant; and (f) a producer-handler.

Designating as handlers the operators of the various types of plants that may be associated with the market is necessary so that the market administrator may require of them the reports to determine the regulatory status of the plants and the extent of the operators' obligations, if any, to the producer-settlement fund.

The record is not clear whether there is any governmental agency or institution (Federal, State, county, or municipal) which dispose of fluid milk products solely for use on it own premises or to its own facilities. If such an institution does exist, it should be exempt from regulation. This may be effected by specific exemption of such persons from "handler" status under the order.

While such an exempt institution would have no obligations to report to the market administrator, the order should provide that if milk is purchased from a pool plant by such an institution, such sales by the pool plant would be classified as Class I. Likewise, any disposition of milk by such an institution to pool plants would be classified as Class II.

Milk which would be surplus to the fluid requirements of such institutions would not be a source of supply which could be depended upon to fulfill the regular requirements of the market. It would bear the same relationship to the marketwide pool as does the surplus of producer-handlers, and it should be allocated in the same manner as a receipt from a producer-handler. Accordingly, milk received from such institutions should receive a Class II classification.

Cooperative associations whose members are suppliers of milk for the market here under consideration generally assume the responsibility of balancing their buying handlers' supplies with such handlers' needs for fluid milk. Milk not needed for fluid uses generally can be most economically handled by diversion directly to manufacturing plants. To facilitate such handling, a cooperative is accorded handler status for milk which it causes to be diverted to nonpool plants for its account.

A cooperative should be designated as a handler with respect to any milk delivered from the farm to a pool plant of another handler in a tank truck owned, operated by, under contract to, or under the control of such cooperative. This will afford a practicable basis of accounting for such milk. In addition, it will provide added flexibility to a cooperative's operations in allocating its members' milk among handlers.

If a tank truck picking up milk at the farm is operated under the supervision of a cooperative association, it is the association that verifies the weight and butterfat content of each producer's milk. Handlers have no control over and generally take no part in checking the weights and butterfat tests of milk at the farm. In some instances, handlers may not even know from which farms their milk is received.

The milk delivered by the cooperative as a bulk tank handler would be considered as a receipt of producer milk by the operator of the pool plant at which it was physically received. The pool plant operator's obligation for such milk to the producer-settlement fund, to the administrative fund and to the cooperative would be the same as for producer milk received directly from the farm of an individual producer.

In some instances, as discussed elsewhere in this decision (see the discussion concerning shrinkage allocation under heading "b. Classification and allocation of milk"), differences between the quantities of producer milk determined at the farm and ascertained as physically received by the operator of the pool plant would be considered a receipt of producer milk by the cooperative at the location of the pool plant. For such differences, the cooperative (instead of the pool plant operator) would be required to settle with the producer-settlement and administration funds.

Producer, diverted milk, and producer milk definitions. The term "producer" should include dairy farmers who regularly deliver Grade A milk to plants which are supplying fluid milk to the marketing area in the proportions specified in the pool plant standards adopted herein. Accordingly, the term "producer" should distinguish between farmers who meet the sanitary requirements for the production of Grade A milk and other dairy farmers whose milk may be qualified only for use in the manufacture of dairy products. Grade A milk intended for fluid consumption in the marketing area is required to be produced in compliance with sanitary standards of the States of Minnesota, North Dakota, or South Dakota, and/or county, municipal, or other duly constituted health jurisdictions in the area.

"Producer milk" should be defined to include all skim milk and butterfat in Grade A milk received at a pool plant directly from a dairy farmer or from a cooperative association in its capacity as a handler. Producer milk would also include milk diverted under certain conditions from a pool plant to a nonpool plant by either a handler operating a pool plant or by a cooperative in its capacity as a handler diverting milk for its account. This definition will facilitate application of the various order provisions by specifying that milk for which each handler shall be responsible for paying the class prices established by the order according to his use of milk.

This definition will require the handler operating the pool plant at which milk is received from a cooperative as a handler pursuant to § 1060.10(c) to pay the cooperative at the uniform price the same as on milk received directly from producers.

A "diverted milk" definition is provided for easy reference throughout certain other provisions of the order.

Although a producer establishes his affiliation with the market through delivery of milk to a pool plant his milk occasionally may not be needed at pool plants. This is due to the day-to-day and seasonal variation in both production and sales. The variation in day-to-day sales is influenced in large part by the fact that most bottling operations are not conducted on a seven-day-a-week basis. Such milk can sometimes be used efficiently by diverting it directly from the farm to a nonpool manufacturing plant. In such cases the movement of such milk to a nonpool plant should be facilitated.

The order should provide that a dairy farmer may retain his producer status under certain conditions with respect to his Grade A milk diverted to a nonpool plant for the account of a handler. For the months of March through June when supplies in the market are usually the heaviest, such diversion of milk of a producer may be on an unlimited basis.

Unlimited diversion, however, is neither necessary nor desirable during the other months of the year when milk of producers is most needed to supply the Class I needs of the market. Proponents recommended that during the period of July through February, a cooperative association be permitted to divert for its

account member producer milk not in excess of 50 percent of the milk physically received from its producer members at pool plants during the month. This limitation appears reasonable and should be adopted. Similarly, milk diverted by the operator of a pool plant for his account would be limited to 50 percent of the quantity of producer milk physically received at his plant during the month. In all cases, however, producer status with respect to a dairy farmer whose milk is so diverted during any month of July through February would be contingent upon the receipt of his Grade A milk at a pool plant on at least 3 days during the month. This will assure the producer's association with the fluid milk market during the months of the year when milk production is seasonally lower and more likely to be needed by distributing plants for bottling use.

In the recommended decision, the 3-day deliveries requirement was made applicable to all months of the year. This change from the recommended decision will contribute toward the more efficient marketing of milk during the months of March through June.

The percentage basis for computing limits on milk diversions will provide the flexibility needed by cooperatives and pool handlers to serve the market efficiently. It will not affect the pool adversely.

Should milk receipts from dairy farmers be diverted in excess of the limit set forth herein the diverting handler must specify the dairy farmers whose milk was over diverted and all of the milk of such dairy farmers not received at a pool plant during the month shall not be producer milk in such month.

Milk diverted to a nonpool plant will be considered as received by the diverting handler at the location of the plant to which diverted, for purposes of pricing such milk.

In order to preclude duplicate regulation of milk, provisions should be made for excluding as producers, persons whose milk is diverted to a plant at which such milk is subject to the price and payment provisions of any other order.

Under no circumstances would a delivery of producer milk from the farm to the plant of a producer-handler be considered as "diverted milk".

Exceptions were filed on behalf of the proponent cooperative association requesting that the order accommodate diversion of producer milk to nonpool plants from any pool plant whether it is a distributing or supply plant. The terms contained in the recommended order would have limited diversion of producer milk to nonpool plants from pool distributing plants only. This request should be adopted. The conditions which justify diversion of producer milk within the limits prescribed are generally applicable with respect to both distributing and supply plants.

Some plants in the market which would qualify as pool supply plants under the order do not have the necessary manufacturing facilities to process all their producer Grade A receipts not shipped to bottling plants for fluid needs. In such cases, the more economical handling of milk can be achieved by permitting the diversion of such producer milk from the supply plant by direct shipment from farm to the manufacturing plant. The "diverted milk" definition is amended from that recommended to accommodate this change.

Producer-handler definition. The term "producer-handler" should apply to any person who produces milk on his own farm(s) and operates a plant from which fluid milk products are distributed on routes in the marketing area and who receives no milk during the month from other dairy farmers or from sources other than pool plants and not more than 3,000 pounds of fluid milk products (including the milk equivalent of nonfluid products which are reconstituted into fluid milk products) from any source.

The producer-handler maintains control of his milk from its source at the farm until its ultimate disposition. He is, therefore, generally in a position to adjust his farm production closely to the needs of his fluid milk business and, in turn, assumes the burden of maintaining the reserve supply of milk associated with his fluid milk operations and of disposing of any surplus he may produce. When an individual operates a dairy farm and a fluid milk business in such manner it has not been necessary to require him to account for milk produced on his own farm at a particular minimum price.

The competition of a producer-handler with regulated handlers in this market makes it appropriate that exemption from pooling and pricing be contingent upon his meeting certain requirements. Such requirements are necessary to assure that his sales of milk will not have a disruptive effect on the orderly marketing of milk in the regulated market.

The producer-handler should not, with minor exception, be permitted to receive fluid milk products from any source except his own farm production. If a producer-handler were permitted to obtain milk from unregulated sources, this would allow him an undue advantage compared to regulated handlers. Other handlers incur obligations to the pool on unregulated milk used in Class I disposition, but producer-handlers are exempt from pooling. Further, such use of unregulated milk by producer-handlers would be inequitable to producers. It would permit use in the fluid market of unregulated milk without such milk being subject to the order's allocation and payment provisions, which provide proper apportionment to producers of returns from Class I dispositions.

A limitation of 3,000 pounds of fluid milk products each month which may be received from sources other than his own farm production will permit the producer-handler to purchase supplemental milk from pool plants and will provide certain flexibility in the use of nonfluid milk products which may be reconstituted into fluid milk products.

Proponents suggested a limitation of 50,000 pounds as the amount of fluid milk products which might be received by a producer-handler. Such a figure is unreasonable. In this market the producer-handlers operate small family size units. The 3,000 pounds provided herein will be ample to meet the needs of the producer-handlers for supplemental supplies.

Receipts of milk at a pool plant from producer-handlers should be considered as a receipt of other source milk. This procedure is appropriate, otherwise producer-handlers who do not share their own Class I sales would share in the Class I sales of other handlers in the market. At the same time the producer-handler would not be bearing proper share of the reserve supplies associated with such Class I sales.

Various business arrangements, involving superficial association with the milk production operation, may be used to acquire an appearance of true producer-handler operation. To preclude the use of such devices the order should provide that a producer-handler furnish proof satisfactory to the market administrator that (a) the care and management of all the dairy animals and other resources necessary to produce the entire volume of fluid milk products handled (except for milk which is permitted to be received within the 3,000 pound limitation) is the personal enterprise of and at the personal risk of such person, and (b) the operation of the processing and distributing business is the personal enterprise of and at the personal risk of such person. A producer-handler would be required to make such reports of his receipts and utilization as the market administrator deems necessary to verify the status of such person's operation and to facilitate verification of transactions with other handlers.

Other source milk definition. A definition of "other source milk" is necessary to facilitate the application of the order to the various categories of receipts at a regulated plant.

Other source milk should include all skim milk and butterfat contained in or represented by (a) fluid milk products utilized by the handler in his operation (except producer milk, fluid milk products received from pool plants, and fluid milk products in inventory at the beginning of the month), (b) all manufactured dairy products from any source (including those produced at the plant) which are reprocessed or converted into another product during the month, and (c) any disappearance of products other than fluid milk products which are not otherwise accounted for under the order.

In order to verify the actual utilization of milk received from producers, it is necessary that the market administrator be in a position to reconcile all receipts of milk and dairy products with the disposition records of the plant. If such records cannot be reconciled, the handler must be held responsible for the shrinkage or the overrun which occurs as a result of the discrepancy between records of receipts and disposition. Otherwise, the handler with improper records would

be in a position to gain an advantage over his competitors who properly account for all milk and dairy products received. It is equally necessary that the handler be required to account for all nonfluid dairy products received in a form in which they can be converted into Class I products. Otherwise, a handler by failing to keep records of receipts of nonfat dry milk and similar products which can be reconstituted into skim milk or other fluid products could gain a competitive advantage over other handlers in the market.

b. *Classification and allocation of milk.* A classified use plan should be established to insure that all milk and milk products handled by handlers fully or partially regulated under the order are fully accounted for according to the various uses in such handlers' plants. Milk is disposed of in the market in a wide variety of forms, representing different proportions of butterfat and skim milk components of milk. These proportions may be greatly changed from the proportions of butterfat and skim milk in the milk as first received. Accounting for milk and milk products on a skim milk and butterfat basis, and pricing such skim milk and butterfat in accordance with the form in which (or the purpose for which) used is the most appropriate means of securing complete accounting on all milk involved in the market transactions.

This accounting system common in Federal orders, will insure uniformity in application of the classification and pricing provisions of the order to all handlers supplying and/or distributing milk in the market.

Fluid milk product. A definition of "fluid milk products" is provided in the order to implement the drafting of the classification provisions of the order.

Under the proposed definition herein provided, the term "fluid milk product" includes milk, skim milk, flavored milk, concentrated milk, buttermilk, milk drinks (plain or flavored), sour cream and sour cream products labeled Grade A, cream or any mixture in fluid form of cream and milk or skim milk. The term includes these products in fluid, frozen, fortified (including "dietary" milk products) or reconstituted form but does not include sterilized products in hermetically sealed containers and such products as yogurt, eggnog, aerated cream in dispensers, ice cream mix, frozen dessert mix, and evaporated or condensed milk or skim milk.

Classes of milk. The fluid milk products which are clasified in Class I are required by the appropriate health authorities in the marketing area to be made from milk or milk products procured from Grade A approved sources. The extra cost incurred by producers in producing quality milk and in getting it delivered to the market in the condition and in the quantities needed by the market necessitates a price for milk used in Class I products somewhat above the price of milk used in manufactured products. The higher price must be at a level which will provide sufficient incentive to producers to encourage the production of the quantity of milk needed for the Class I products plus the necessary reserve to cover daily fluctuations in market demand.

Milk in excess of the market's Class I needs at any time must be disposed of for use in manufactured products. These products are less perishable than fluid milk products and they compete on a national market with similar products made from unapproved milk. Milk so used must be classified as Class II milk and priced according to its value in such outlets.

The products included in Class I may be unmodified or may be modified by the addition of nonfat dry milk, as is commonly practiced in the case of skim milk drinks and buttermilk, for example. On the other hand the product may be concentrated by evaporation as in the case of concentrated whole milk for fluid consumption.

Products such as evaporated or condensed milk which are either packaged in hermetically sealed containers or which are used in the manufacture of other milk products should be classified as Class II products. Milk disposed of for Class II uses is classified on the basis of its initial disposition. When any Class II product is reprocessed or reused in another product it should be treated as a receipt of other source milk. This procedure minimizes the assessment of reclassification charges since priority of assignment under the accounting procedure is given to current receipts of fluid milk. Concentrated milk which may be restored to its original form in the home through the addition of water, as well as reconstituted fluid milk products, compete for the same Class I sales as whole milk. Accounting for such products on the basis of original volume, including all the water originally associated with the solids, is necessary to insure equity among handlers and to return to producers the full use value of their milk.

Fortified fluid milk products present a special classification and accounting problem. Fortification of fluid milk products customarily is accomplished by the addition of nonfat dry milk to fluid milk or skim milk to yield a finished product of higher nonfat milk solids content than that of an equivalent amount of whole milk. Reconstitution, on the other hand, involves the process of "floating" concentrated milk solids in water to yield a weight of product approximately equal to the weight of milk from which the concentrated product was first made by the removal of water.

To maintain proper accounting for fortified fluid milk products the nonfat milk solids added to such items should be converted to their skim milk equivalent. This is necessary to insure uniformity of application of the accounting system. It is not necessary, however, to price as Class I all the water originally associated with the added solids. The additional solids used in fortification cannot be considered as displacing producer milk in Class I except to the extent that the volume of product is increased. The addition of solids to make a more desirable product may in fact increase the sales of producer milk, and in any event would not displace producer milk in Class I beyond the minor increase in volume which results.

In the case of fortified fluid milk products the skim milk to be classified as Class I milk should be only that contained in an equal volume of unmodified product of the same nature and butterfat content, excluding the dry weight of any nonmilk additive such as flavoring, etc. The skim milk equivalent of the nonfat milk solids not classified as Class I milk should be classified as Class II milk.

Handlers maintain inventory of milk and milk products which must be considered in accounting for receipts and utilization. The accounting procedure will be facilitated by providing for Class II classification on only that portion of ending inventory of fluid milk products which is in bulk storage in the plant. All fluid milk products on hand in packaged form in the plant should be classified as Class I.

This will facilitate handlers' reconciliation of inventory products with that of the market administrator. Products on truck on or off the premises and products in distribution outlets or in transit may be considered by some handlers as disposed of and therefore, would be classified by them as Class I. The treatment of products in distribution points or in transit differs with the individual handlers. It is not uncommon for handlers to consider products on loaded trucks as still in inventory.

The classification as Class I of all packaged fluid milk products will result in such products which are on hand at the end of the month, either in the plant, on loaded trucks, or in distribution points, being classified uniformly as Class I regardless of whether they are considered as being in inventory or as being already disposed of.

Packaged fluid milk products on hand on the effective date of the order, however, should be classified as Class II, since these items were not classified and priced as Class I in the prior month.

To insure that all handlers pay the current month's Class I price for producer milk disposed of during the month, it is provided that if the Class I price increases, the handler will be charged the difference between the Class I price for the current month and the Class I price for the preceding month on the quantity of ending inventory assigned to Class I in the preceding month. Likewise, if the Class I price decreases, the handler will receive a corresponding credit.

The allocation section should provide that inventory of packaged fluid milk products on hand at the beginning of the month be subtracted from Class I utilization before making the other assignments therein provided.

Inventory of fluid milk products in bulk form will be subtracted under the allocation procedure, from any available Class II disposition in the following month prior to the allocation of current fluid milk receipts. The higher use value of any fluid milk product in inventory, which is allocated to Class I milk in the following month, should be reflected in

returns to producers. This is accomplished by a reclassification charge on such milk at the difference between the Class II price of the preceding month and the Class I price of the current month.

Inasmuch as a handler may receive milk from other order plants and unregulated supply plants as well as producer milk or milk from other pool plants, any of these sources may contribute to his inventory situation at the end of the month. The assignment provisions herein adopted insure that milk from nonpool sources assigned to the surplus class in the prior month (and thus available for reclassification under the inventory allocation procedure this month) will either have been so assigned pro rata with producer milk or is milk which by its very nature is surplus. Furthermore, any other order milk so assigned will have been priced at the comparable surplus class in the order of origin. In either case, therefore, the reclassification charge is appropriate.

Skim milk and butterfat in fluid milk products dumped or disposed of by a handler for livestock feed should be classified as Class II milk. Such outlets often represent the most efficient means for disposing of surplus milk. Transportation and handling costs are such that it may be uneconomical to ship relatively small quantities of unneeded milk to trade outlets. In the case of route returns of such products as homogenized milk and chocolate milk, it is difficult and impractical to salvage the butterfat for further use. Such butterfat which is not salvageable should be classified as Class II when dumped or disposed of for livestock feed.

It would not be practicable to permit in an unlimited manner the dumping of skim milk and butterfat by pool plant handlers. Neither would it be appropriate to classify such skim milk and butterfat, for which no better outlet is available, in other than Class II. Accordingly, the order should clearly specify a Class II classification for skim milk and butterfat dumped, provided that the market administrator is notified in advance and afforded the opportunity to verify the dumping.

Waste and loss of skim milk and butterfat experienced in plant operations are referred to as "shrinkage." Since shrinkage represents disappearance of milk for which the handler must account but for which no direct return is realized, it should be considered as Class II milk to the extent that the amount is reasonable and is not the result of incomplete or faulty records.

The maximum shrinkage allowance in Class II at each pool plant should be 2 percent of producer milk (except that diverted to a nonpool plant or for which a cooperative association is the handler pursuant to § 1060.10(c)), plus 1.5 percent of producer milk from a cooperative as a handler and bulk fluid milk products from pool plants of other handlers and less 1.5 percent of bulk fluid milk products transferred to other plants (except pool plants of the same handler). A 1.5 percent shrinkage allowance would be allowed on bulk fluid milk products received from other order plants and unregulated supply plants (exclusive of the quantity for which Class II utilization is requested by the handler).

As provided elsewhere in this decision, a cooperative would be the handler for milk delivered from producers' farms to the pool plant of another handler in a tank truck owned and operated by or under contract to such cooperative. When a cooperative is a handler under such conditions, the operator of a pool plant receiving this bulk tank milk directly from the farm would settle with the pool and the cooperative for such milk in the same manner as a receipt from producers. However, the full 2 percent allowance for shrinkage would be permitted the handler only if he is purchasing the milk on the basis of farm weights and has so notified the market administrator. Otherwise, the maximum shrinkage in Class II allowed the handler on such milk would be 1.5 percent, and the cooperative would be responsible for any difference between the gross weight of producer milk received in the tank truck at the farms and that delivered to pool plants. This procedure is followed in a number of other Federal orders and provides a reasonable basis for the allocation of the shrinkage allowance in those instances wherein the cooperative is the responsible handler with respect to milk picked up at producers' farms in bulk tank trucks.

In those instances in which a pool plant operator is not purchasing farm tank milk (from a cooperative as a handler) on the basis of farm weights, any difference between the quantities of producer milk determined at the farm and ascertained as physically received by the operator of the pool plant would be considered a receipt of producer milk by the cooperative at the location of the pool plant. The cooperative would report such differences, which may reasonably be expected to be within 0.5 percent of the quantity of producer milk determined on the basis of farm weights during the month, to the market administrator for inclusion in the monthly pool computation. Up to 0.5 percent of the total producer farm tank milk involved would be reported and pooled as Class II; any such difference in excess of the maximum allowable Class II shrinkage of 0.5 percent would be Class I. The cooperative would be responsible for settling with the producer-settlement fund for the total quantity of shrinkage it reported. If the quantity of bulk tank milk physically received at a pool plan from a cooperative during the month is the same as or greater than the sum of the farm weights, the cooperative would have no settlement to make with the producer-settlement fund on such milk. However, in those instances wherein the quantities of milk physically received at pool plants are greater than the farm weights, the pool plant operator's obligation to the cooperative and the producer-settlement fund would be on the basis of the weights ascertained at his plant.

Plants which are operated in a reasonably efficient manner and for which accurate records of receipts and utilization are maintained should not have plant losses in excess of the maximums provided. Any shrinkage in excess of the maximums should be classified as Class I milk. This is reasonable and necessary to strengthen the classified pricing plan and will tend to encourage maintenance of adequate records and efficient handling of milk.

It is appropriate to limit the volume of unregulated supply plant milk and other order milk that may be classified in Class II as shrinkage since these types of receipts are allocated pro rata to class uses along with the quantities received from pool plants and producers. Under the allocation system provided, such other source milk will share with producer milk in any shrinkage allocated to Class I when the specified Class II shrinkage limitations are exceeded. No specific shrinkage limit is necessary on unregulated or other order milk that does not share a pro rata assignment and thus is allocated first to Class II uses, since the allocation procedure insures assignment of such milk to Class II in an amount at least equal to the shrinkage that may be associated therewith.

To insure an equitable assignment of total shrinkage to the two categories of receipts (i.e., receipts for which there is a percentage limitation for Class II shrinkage assignment and receipts for which there is no such limitation), the total shrinkage should be prorated to these two categories.

Transfers. Fluid milk products may be disposed of to other plants for processing. It is necessary, therefore, to provide specific rules so that the classification of such transfers may be determined under this order.

Fluid milk products transferred by a handler to a pool plant of another handler should be classified as Class I milk unless utilization as Class II milk is claimed for both plants on the reports submitted for the month to the market administrator. However, sufficient Class II utilization must be available at the transferee plant for such assignment after prior allocation of receipts of unregulated milk, other order milk, inventory, and appropriate assignment of shrinkage. Moreover, if other source milk of the type to which surplus value inherently applies (such as nonfat dry milk) has been received at the transferor plant during the month, the skim milk or butterfat in fluid milk products involved in such transfer should be classified so as to allocate the least possible Class I utilization to such other source milk. In the case of a transferor handler who received other source milk from an unregulated supply plant or other order plant, the transferred quantity, up to the total of such receipts, should not be Class I to a greater extent than would be applicable to a like quantity of such other source milk received at the transferee plant.

Fluid milk products transferred from a pool plant to a producer-handler and such products transferred or diverted in packaged form to a nonpool plant (not an other order plant) should be classified as Class I milk.

Fluid milk products transferred or diverted in bulk to a nonpool plant that is neither an other order plant nor a producer-handler plant which is located not more than 300 miles by the shortest highway distance as determined by the market administrator from the nearer of the city halls of Fargo or Grand Forks, N. Dak., shall be classified as Class I milk unless certain conditions are met: The operator of the nonpool plant, if requested, should make his books and records available to the market administrator for the purpose of verifying the receipts and utilization of milk in such nonpool plant. Provision for verification by the market administrator is reasonable and necessary to insure proper application of the classification procedures prescribed in the order.

The skim milk and butterfat so diverted or transferred should be assigned following the assignment of utilization at such nonpool plant to receipts of packaged fluid milk products from pool plants and other order plants. This assignment is in accord with the classification of such packaged products to Class I at the plant of origin. Other utilization at the nonpool plant should be assigned on the basis that any Class I utilization disposed of on routes in the marketing area should be first assigned to the skim milk and butterfat in the fluid milk products so transferred or diverted to the nonpool plant from pool plants, and next pro rata to receipts from other order plants and thereafter to receipts from dairy farmers who the market administrator determines constitute the regular source of supply of Grade A milk for such nonpool plant. Further, any Class I utilization disposed of on routes in the marketing area of another order should be first assigned to receipts from plants fully regulated by such order, and next pro rata to receipts from pool plants and other order plants not regulated by such order and thereafter to receipts from dairy farmers whom the market administrator determines constitute the regular source of supply of Grade A milk for such nonpool plant. The remaining quantities of skim milk and butterfat transferred to the nonpool plant should be assigned to the skim milk and butterfat in any transfers of milk, skim milk, and cream in bulk from the nonpool plant to pool plants, and should be classified as if it were a direct transfer from one pool plant to another pool plant with Class II utilization indicated. If this results in transfers from pool plants of two or more handlers being classified as Class I such classification should be shared pro rata between the handlers unless, at or before the time of reporting, the plant operators indicate agreement on a different sharing of such Class I classification.

If such assignment does not cover all transfers to the nonpool plant, assignment of additional quantities to Class II use in the nonpool plant would be limited to available Class II utilization in the plant and similar use of any shipments from the nonpool plant to other plants (pool or nonpool) excluding any duplication of such classification of milk received at the nonpool plant from other pool plants or other order plants.

The treatment of transfers provided serves to coordinate classification of milk disposed of to nonpool plants with milk disposed of by other order plants to the same nonpool plants.

Fluid milk products transferred or diverted to a nonpool plant that is neither an other order plant nor a producer-handler plant which is located more than 300 miles by the shortest highway distance as determined by the market administrator from the nearer of the city halls of Fargo or Grand Forks, N. Dak., should be Class I milk.

Within the 300-mile range the manufacturing facilities are adequate to insure the orderly disposition of the market's reserve supply and milk moving a greater distance can be presumed to be for Class I uses. Hence, on shipments beyond such distance with the following exception, it is not necessary and it is not administratively feasible for the order to provide classification on the basis of verified utilization in the nonpool plant to which shipment is made.

While it is not feasible to move whole milk long distances except for Class I use, cream may be shipped a considerable distance for use in ice cream and other Class II items. Cream transferred as Class II (and so reported by the transferring handler) to a nonpool plant located beyond the 300-mile range, therefore, should be so classified without requiring verification of its use by the market administrator at the nonpool plant, provided that prior to shipment the market administrator is given sufficient notice to allow him to verify the shipment, and the container of such cream is tagged as being for manufacturing purposes only, and this is so invoiced.

Such a provision will assure the availability of outlets for surplus cream irrespective of distance from the market and at the same time reduce the expense of verifying the use of such cream.

In the case of fluid milk products transferred from pool plants to fully regulated plants under another order, specific rules should apply to coordinate the classification under both orders. Specifically, fluid milk products transferred to an other order plant in excess of receipts from such plant in the same category (packaged, bulk designated for surplus disposal, or bulk milk not so designated) should be classified in the classes to which allocated as a fluid milk product under the other order. If the operators of both the transferor and transferee plants so request in the reports of receipts and utilization filed with their respective market administrators, transfers in bulk form should be classified as Class II to the extent that Class II utilization (or comparable utilization under such other order) is available for such assignment pursuant to the allocation provisions of the transferee order. If, however, information concerning the classification to which allocated under the order is not available to the market administrator for purposes of establishing classification pursuant to this paragraph, classification should be as Class I, subject to adjustment when such information is available. For these purposes, also if the transferee order provides for more than two classes of utilization, milk allocated to a class consisting primarily of fluid milk products shall be classified as Class I, and milk allocated to other classes should be classified as Class II.

If the form in which a fluid milk product is transferred to an other order plant is not defined as a fluid milk product under such other order, classification should be in accordance with the form in which it leaves the transferor plant. This would be the case where the classification of a product differs in the shipping and receiving markets and, accordingly, identical classification will not be possible. These differences exist primarily because the health authorities in different areas have varying requirements with respect to the use of Grade A milk in some milk products. Hence, the order provisions must be designed to accommodate the differences in classification which might exist in this order compared to any order market from which such product is received.

Milk from nonpool plants and from other order plants. It is necessary to provide for integration into the regulatory plan of the order, milk which is disposed of in the marketing area, but which is not subject to classified pricing under any order or which is regulated under another order.

Such milk may enter the market in two ways. It may be distributed directly on routes by a partially regulated plant or by a plant subject to regulation under another order. It may also be received as other source milk by a fully regulated plant. In the latter instance it may consist of receipts from an other order plant, from an unregulated supply plant, or even from manufacturing plants or dairy farmers whose milk is not eligible for Grade A milk. It might also consist of the surplus of a producer-handler or of nonfat milk solids which are reconstituted into a fluid milk product.

Regardless of the source of the milk or its method of entry into the market, provision must be made for treating such milk in a manner which will protect, to the extent consistent with the Act, the regulatory plan of the order. A uniform program for treating such milk was made effective by amendments to all orders which were in effect on July 1, 1964, following the decision of the Assistant Secretary of June 19, 1964 (29 F.R. 9214).

The findings and conclusions of such decision relating to this matter are equally applicable to the Minnesota-North Dakota marketing area. The June 19, 1964, decision therefore is hereby adopted as a part of this decision.

The conditions described therein as generally applicable to all marketing areas under regulation at that time, are equally applicable to the Minnesota-North Dakota marketing area.

It is necessary, therefore, that the provisions of this order relating to the integration of other source milk do not differ materially from similar provisions of

other orders. The provisions herein recommended are identical in principle to the general amendments made to all orders following the June 19, 1964, decision of the Assistant Secretary, and are recommended for adoption in the interest of continuing a coordinated program among markets and providing for the uniform treatment of regulated milk in the several markets.

This decision sets forth in detail the procedure to be followed in allocating over a handler's total utilization the milk that may be received from the several types of nonpool sources. It provides for a payment into the producer-settlement fund on unregulated milk which is allocated to Class I.

This decision also prescribes the obligations of a partially regulated distributing plant with respect to record keeping and reporting, as well as defining the circumstances under which such a plant would be required to make payments to the producer-settlement fund.

c. *Determination and level of class prices.* In order to promote and maintain orderly marketing conditions in the Minnesota-North Dakota marketing area, minimum Class I and Class II prices for producer milk must be established at levels which will reflect economic conditions affecting the market supply and demand for milk and its products and tend to obtain an adequate supply of milk to meet the fluid needs of the market plus a necessary reserve for fluctuations in demand. Of the estimated 420 million pounds of Grade A milk received annually by handlers in the market who are expected to be fully regulated, less than half of such milk is required for fluid uses. There is, therefore, no indication that supplies are inadequate or tending to become inadequate for the Minnesota-North Dakota market.

The level of Class I price must not be so high as to attract additional supplies to the market under current marketing conditions where milk supply for fluid needs is entirely adequate. Such overattraction of milk supplies would tend to shift agricultural resources into the production of unnecessary and uneconomic surpluses which would depress the blend price to producers. Yet the price must exceed the manufactured milk price by a sufficient amount to encourage producers to produce milk of the high quality required for the fresh fluid needs of the market.

Class II prices should be established at a level which will assure a market for milk delivered by producers in excess of Class I needs. Such prices should not encourage the development of milk supplies for use as Class II products.

Class prices as well as uniform prices to producers should be computed and announced for milk of 3.5 percent butterfat content. This is the prevailing practice among handlers in the market.

Class I price. For an 18-month period beginning with the effective date of the order, the Class I price for milk of 3.5 percent butterfat content should be established at an annual level of $0.86 per hundredweight higher than the average price paid for manufacturing grade milk in Minnesota and Wisconsin during the preceding month. For the period through April 1968, 20 cents should be added to such differential.

The Class I price for any plant located outside of the base zone should be adjusted for location at the rate of 1.2 cents for each 10 road miles or fraction thereof that such plant is located from the perimeter of the base zone. Such location adjustments should be added to the Class I price if the plant is located in North or South Dakota and should be subtracted from such price if the plant is located in Minnesota.

The manufacturing milk price in Minnesota and Wisconsin to be used as the basic formula for determining Class I prices is reported by the Department of Agriculture each month and for the purpose of pricing Class I milk should be converted to a 3.5 percent butterfat basis using a butterfat differential equal to 12 percent of the wholesale price of butter at Chicago. The price so adjusted is used as a basic formula for establishing Class I prices in most Federal milk orders.

The purpose for which such basic formula price is used in other order markets is pertinent to establishment of proper Class I price levels in the recommended order market. This pricing factor (Minnesota-Wisconsin manufacturing grade milk pricing series), common to most milk orders, is an appropriate measure of the general economic factors underlying the price for milk used in manufactured dairy products. Because the market for most manufactured dairy products is nationwide, prices for such products and the milk used in them reflect, to a large extent, changes in general economic conditions affecting the supply and demand for milk. By using manufacturing milk prices as a formula factor in determining Class I prices it is possible to reflect such general economic factors automatically in the Class I price.

Since this marketing area is located in a region of heavy milk production in relation to population, there is considerably more milk manufactured in the area than is disposed of for Class I uses. In order to compensate producers for producing milk of Grade A quality which is needed for Class I sales, the Class I milk price must be somewhat higher than producers of manufacturing grade milk receive. However, if the Class I price more than compensates producers for the extra cost of Class I milk production, they are encouraged unnecessarily to shift from manufacturing grade milk production to the production of Grade A quality milk. If additional Grade A milk supplies cannot be disposed of in Class I outlets, such milk must be utilized in manufactured dairy products at a price competitive with dairy products made from manufacturing grade milk. Because dairy products made from Grade A milk bring no premium in the market place over those made from manufacturing grade milk, farmers producing Grade A milk for use in such products can obtain no higher price for Grade A milk so used than the prevailing rate for manufacturing grade milk. Hence, in establishing a Class I price, particularly for this area where large quantities of Grade A milk in excess of those needed for Class I sales already exist, it is essential that the Class I price be maintained at a level which will not encourage greater supplies of Grade A milk to be produced, thereby adding only to the volume which must be manufactured.

Since the Class I price must be so closely attuned to the manufacturing milk price, the only feasible method of accomplishing such alignment is to base the Class I price directly on such manufacturing milk price.

The proposed Class I price together with the proposed Class II price (as described later) and a Class I utilization of 45 percent would have given a market blend price of $3.84. This price is in excess of prices paid producers by the handlers in 1965 by an amount which reflects the increases in milk prices which have occurred on a national level since that time.

The Cass-Clay Creamery is located in Fargo and the Fairmount Foods plant in Moorhead. The Fergus Dairy plant in Fergus Falls, Minn., is about 55 miles to the southeast. One of Land O'Lakes' principal bottling plants is located at Thief River Falls, Minn., about 116 miles north of Fargo. None of the handlers operating these plants pays its producers on a strictly classified price plan. The average price per hundredweight of 3.5 percent milk paid by each of them to their producers during 1965 was $3.54 by Cass-Clay, $3.66 by Fairmont Foods, $3.52 by Fergus Dairy and $3.57 by Land O'Lakes. The Minnesota Dairy Co. of Grand Forks is one of the principal handlers in this area. The price per hundredweight paid its producers for milk containing 3.5 percent butterfat for 1965, was estimated to be $3.85 on the average, plus an additional 13 cents per hundredweight hauling subsidy.

There is, however, a wide variation in the utilization of the above handlers. Substantially more than half of the Grade A milk received by Cass-Clay and Fergus Dairy is used in the manufacture of dairy products. The combined utilization of the four plants of Land O'Lakes (located at Thief River Falls, Crookston, and Brainerd, Minn., and Grand Forks, N. Dak.) approximates 60 percent Class I. The Fairmont Foods plant at Moorhead, Minn., also utilizes the greater part of its receipts as Class I milk. At the plant of the Minnesota Dairy Co., virtually all producer receipts are used for Class I purposes.

An identical Class I price should apply to all plant locations within the base zone (discussed in detail under the heading "Location differentials"). This zone encompasses the Fargo-Moorhead and Grand Forks, N. Dak., metropolitan areas. These cities and their environs are the areas of greatest population concentration and more than half of the market's Class I sales are made therein. Also included in the base zone are other nearby cities of smaller population with

which there is a considerable exchange of Class I sales.

Producer association proponents for the Minnesota-North Dakota order proposed (modified slightly from that noticed) a Class I price of 20 cents above the Twin Cities Class I price for plants located at least 210 but not more than 285 airline miles from a designated basing point in St. Paul, Minn. Such pricing zone would include fluid milk plants located at Fargo, Grand Forks, and Valley City, N. Dak., and at Moorhead, East Grand Forks, Crookston and Thief River Falls, Minn.

Both producers and handlers stressed the importance of proper Class I price alignment for the Minnesota-North Dakota marketing area with Class I prices in nearby markets, particularly that of the Minneapolis-St. Paul market.

It is essential in aligning Class I prices in the proposed area compared to Minneapolis-St. Paul to avoid any price incentive for Minneapolis-St. Paul milk to move into this area which already has more Grade A milk than can be disposed of in Class I sales. The Minneapolis-St. Paul order Class I price is modified by a supply-demand adjustor with a maximum of 24 cents. Hence, such price can be 24 cents less than the proposed Class I price under this order. Since the adjustor is currently at minus 24 cents, the Minneapolis-St. Paul Class I price would currently be 24 cents less than the proposed price for this area.

On the basis of the record of the regional hearing at Denver on April 11, 1967 (which reopened the hearing held at Fargo, N. Dak., in August 1966), it was concluded that for the purpose of Class I pricing through April 1968 the minimum basic formula price under the subject Federal orders should not be less than $4.05. It was further concluded that 20 cents should be added through April 1968 to Class I price differentials otherwise to be effective. The Minnesota-North Dakota market pricing should reflect these conclusions. The resulting provisions likewise will assist to maintain reasonable alignment with the Minneapolis-St. Paul market.

This price difference should not divert milk from the Minneapolis area to this area because transportation costs would offset the price difference.

Fargo and Grand Forks, N. Dak., and Moorhead, Minn., are among the principal cities in the market from which milk is distributed. The adjoining cities of Fargo-Moorhead are approximately 240 road miles from Minneapolis-St. Paul. Correspondingly, Grand Forks is about 312 miles distant from Minneapolis and St. Paul. Milk may be moved into the Minnesota-North Dakota market from plants located in Minneapolis or St. Paul at a transportation cost of approximately 29 cents per hundredweight to Fargo-Moorhead and 37 cents to Grand Forks. The Class I prices in the Fargo-Moorhead and Grand Forks areas should not, therefore, exceed the Class I prices for the Twin Cities order by more than about these transportation costs.

Ideally, Class I prices in the Minnesota-North Dakota market should reflect local milk supply and sales relationships as well as maintaining reasonable alignment with other market prices. Although the area has an ample supply of Grade A milk to meet current demands, complete data with respect to receipts and sales of milk in the area are not available. Any price adjustment mechanism which would be designed to reflect such supply and sales relationships in a pricing formula would not, therefore, be practical at this time. Furthermore, the conditions of supply and sales are likely to be somewhat different under a program of orderly pricing than those which have prevailed in recent years.

For this reason, a limit of 18 months is provided for the Class I price provisions of the order. This will afford an opportunity to review the provisions at a hearing in the light of marketing conditions at that time. Such review could also include consideration of supply and sales relationships for adjustment purposes.

Class II price. The Class II price should be the average price per hundredweight for manufacturing grade milk f.o.b. plants in Minnesota and Wisconsin, as reported by the U.S. Department of Agriculture, adjusted to a 3.5 percent butterfat test.

The order proponents initially proposed that the Class II price be established at the level of the Minnesota-Wisconsin manufacturing grade milk price, adjusted to 3.5 percent butterfat test. They modified this proposal at the hearing to request a Class II price level 6 cents per hundredweight below the "series" level. There was general agreement by producers and handlers alike that the Class II milk price for the market should be based upon the Minnesota-Wisconsin price series. There was less agreement as to the amount, if any, that the Class II price should be set below the series price. Support in this matter ranged from a zero to a minus 6 cents per hundredweight adjustment.

Large quantities of reserve supplies of milk for the market are utilized in the manufacture of butter and nonfat dry milk. These operations are confined to several large plants. There is much variation in the handling and marketing of surplus milk at the plants of other handlers. Some milk utilized for Class I purposes in the market is handled at plants with limited manufacturing facilities. However, a number of plants which would be pool plants under the orders maintain manufacturing operations, especially for such items as ice cream and cottage cheese. Throughout the year, particularly in the spring months of heavy production, producer milk not needed for fluid uses is moved to manufacturing plants by the handler who regularly receives the milk or by the cooperative association responsible for marketing such producer milk.

Prices paid by manufacturing plants may differ because of changes in the relative prices of the product which they manufacture and because of variations in the quantities of milk available for manufacturing purposes. Handlers often will dispose of excess milk to those plants which are paying the highest price at the time of such disposal. Because of smaller volume and inefficient means of handling, it is possible that some handlers may at times incur losses in handling their necessary reserve supplies of milk. The handling of such reserve milk is incidental, however, to the handling of fluid milk.

The price for manufacturing milk should be at a level which will provide the highest possible returns to producers in the market while at the same time encouraging the orderly marketing of such milk. A Class II price based on the average Minnesota-Wisconsin manufacturing milk price should adequately meet these pricing objectives. The desirability of using a competitive pay price is based on the premise that in the highly competitive dairy industry, average prices which are paid in the areas where there is substantial competition for manufacturing milk provide as good a measure of its value as can be obtained. The Minnesota-Wisconsin price series is representative of prices paid to farmers for about one-half of the manufacturing grade milk sold in the United States. In Minnesota about 84 percent of the milk sold off farms is of manufacturing grade and in Wisconsin, about 58 percent.[3] There are many plants in these states which are competing for such milk supplies. This price series reflects a price level determined by competitive conditions which are affected by demand in all of the major uses of manufactured dairy products. Further, it reflects the supply and demand of manufactured dairy products within a highly coordinated marketing system which is national in scale.

Plants which handle most of the Class II milk for this market are either located in Minnesota or receive a major portion of their supply from producers located in Minnesota. All of these plants are in competition for supplies with plants whose paying prices are included in the Minnesota-Wisconsin price series. It is necessary, therefore, that the prices paid by handlers under the order be commensurate with those paid by their competitors if their milk supply is to be maintained.

One cooperative association excepted to the Class II pricing formula as set forth in the recommended decision. They reiterate their desire for a Class II formula 6 cents below the "series" price based in part on the fact that an administrative assessment would be levied on such milk and partly on the fact that transportation costs from western Minnesota to the East were greater than from plants located in eastern Minnesota or Wisconsin.

A review of record evidence, however, in light of exceptions filed does not show such a modification to the recommended formula to be warranted, for reasons set forth herein.

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[3] Official notice is taken of the "Supplement for 1963–64 to Dairy Statistics through 1960," Statistical Bulletin No. 303, Economic Research Service, USDA, June 1965.

Butterfat differentials. The recommended classification system provides for a full accounting of all skim milk and butterfat utilized in all products. While milk is priced to handlers at a basic test of 3.5 percent, it is intended that each handler's cost for milk shall reflect the proportions of skim milk and butterfat in each class. This is accomplished by adjusting the class prices to each handler by appropriate butterfat differentials.

The Class I butterfat differential adopted herein is the same as that used in a substantial number of other orders and is determined by multiplying the Chicago butter price by 0.12.

This differential, which would have averaged 7.2 cents in 1965 (a variation that year from 7 to 7.6 cents), is a reasonable representation of the value of butterfat when disposed of in the fluid items indicated in this class.

The Class II butterfat differential of 11.5 percent of the Chicago butter price is likewise comparable with its counterpart in a number of other orders throughout the country. It will vary from month to month as the butter price varies. Hence, it will facilitate the movement of butterfat in that milk which is not needed for fluid use to manufacturing outlets. The Class II butterfat differential will appropriately reflect the values of butterfat and skim milk components in milk used in manufacturing operations.

The use of the Chicago butter price as a basis for establishing butterfat differentials will provide assurance for both producers and handlers that such differentials reflect changes in the butterfat values in the national market. The differentials adopted were suggested by proponents of regulation.

The butterfat differential used in making payments to producers should be calculated at the average of the return actually received from the sale of butterfat in producer milk. The rate to be used for this purpose would be the average of the Class I and Class II butterfat differentials weighted by the proportion of butterfat in producer milk classified in each class. Thus, producer returns for butterfat will reflect the average value of their butterfat in the two classes provided in this order. The producer butterfat differential does not affect a handler's obligation and its sole purpose is to prorate returns among producers to the extent their milk differs from the basic 3.5 percent butterfat test.

Location differentials. Location differentials should be incorporated in the order to provide appropriate adjustment in the Class I price and uniform price based upon the location of any plant at which producer milk is received. Class I milk because of its bulky and perishable nature incurs high transportation costs if moved a considerable distance. Milk delivered directly by farmers to handlers' plants located close to the area where such milk is distributed to consumers is therefore more valuable to the handler than milk obtained at a plant many miles from the market.

The Fargo-Moorhead metropolitan area and Grand Forks, N. Dak., are the principal cities from which fluid milk products are distributed throughout the recommended marketing area. They represent the points where there is the largest concentration of population and therefore are the areas of largest milk sales to consumers.

A base zone within which there would be identical price treatment for all handlers so located should include the Minnesota counties of Marshall, Polk, Pennington, Red Lake, Norman, and Clay and the North Dakota counties of Grand Forks, Traill, and Cass. This zone encompasses the Fargo-Moorhead metropolitan area and Grand Forks, N. Dak. The perimeter of the zone where it intersects the roads leading to the various plants which would be regulated (roads on routes with the least road mileage) provides appropriate basing points for determining location adjustments to prices at such plants.

The Class I and uniform price applicable at any such plant, therefore, which is located outside of the base zone should be subject to a plus or minus adjustment of 1.2 cents for each 10 road miles or fraction thereof that such plant is located from the perimeter of such base zone. The measurement for this purpose should be based upon the shortest all-weather-road miles as determined by the market administrator. The location adjustment would be added to the prices at plants located in North or South Dakota and subtracted at plants located in Minnesota.

In the recommended decision issued April 28, 1967, provision was made for a base zone (no location adjustment) to encompass plants of handlers located less than 70 road miles from the nearer of Fargo or Grand Forks. A 10-cent plus or minus adjustment was recommended for any plant located 70 but less than 80 road miles of the two cities and an additional 1.2 cents for each successive 10 miles beyond 80 miles.

A reappraisal of the location differentials was made in light of exceptions filed. The changes from the recommended decision adopted herein are intended to achieve insofar as possible a higher degree of uniformity in prices to all handlers f.o.b. the market and maintain the historical price differential which existed in the past among the plants to be brought under regulation.

These location differentials provide higher prices for milk received at pool plants located west and southwest of the Minnesota-North Dakota State boundary, and lower prices for milk received at plants in the heavy production areas of Minnesota.

Milk production in the portion of the marketing area west of the Red River decreases rapidly as one proceeds away from the river. Supplemental supplies needed by handlers located there must be received from plants located either in Grand Forks or Fargo, or further to the east in Minnesota. Thus, the appropriate price level is the prevailing price in the high production area to the east plus the cost of transporting the milk into the Dakotas. Historically prices paid by handlers in central and western North Dakota have reflected this difference.

Some handlers so located opposed the higher price on the grounds that it would place them at a competitive disadvantage in selling milk in the eastern part of the State where no location differential is applicable.

It is recognized that handlers so located may find it more difficult to compete for Class I sales in the cities of Grand Forks and Fargo. However, producers should not be required to receive a lesser value for their milk to enable a handler to distribute milk in an area where he has a natural disadvantage.

As one moves east and southeast from the Grand Forks and Fargo-Moorhead areas into the areas of heavy milk production, prices should be reduced by the cost of moving such milk from such areas to Fargo or Grand Forks.

Distances should be measured by highway mileage rather than by airline miles as was proposed by the proponents. Because of the condition of the highways, load limits, etc., the actual highway miles which milk is transported may vary widely in relation to the airline mileage. Further, there are many secondary roads not hard-surfaced that may be used by milk haulers to provide the most economical means of moving milk to the market. Roads that are accessible on a year-round basis, whether or not they are hard-surfaced, as specified in the recommended decision, should be used as the basis of determining applicable location adjustments.

The rate of 1.2 cents per hundredweight per 10 road miles reflects the approximate costs of moving milk to city plants in this market. The location differentials, as proposed, will establish prices at each pool plant which will permit such pool plants to compete among themselves on the basis of prices adjusted to reflect transportation costs.

Uniform prices to be paid producers supplying plants at which location differentials are applicable should likewise be adjusted by the same amounts to reflect the value of the milk at the point to which the milk is delivered.

No location differential should apply to Class II milk. Such milk need not be moved to the area centers of population to be sold. Handlers should not be encouraged to move milk long distances for Class II purposes at the expense of dairy producers since Class II products incur little freight cost and prices for such products vary little with location. The Class II milk should be manufactured as near as possible to the source of production and the product should be transported rather than the milk.

A method is provided for determining, if necessary, the priority of milk from various plants allocated to Class I for the purpose of computing the aggregate location differential to be allowed.

To insure that milk will not be moved unnecessarily at producers' expense, the order should contain a provision to determine whether milk transferred between plants may receive the location differential credit. This should provide that, for

the purpose of calculating such credit fluid milk products received from pool plants shall be assigned to any Class I milk at the transferee plant that is in excess of the sum of producer milk receipts at such plant and receipts from other order plants and unregulated supply plants which are assigned to Class I. Such assignment would be made first to shipping plants having the same or higher prices, next to plants with a lower price in sequence according to the location differential applicable at each plant. This will provide an equitable basis for facilitating the movement of milk between pool plants for Class I purposes. Likewise, it will tend to discourage the unnecessary moving of milk between pool plants for other than Class I purposes at the expense of producers.

Use of equivalent prices. If for any reason a price quotation required by the order for computing class prices or for other purposes is not available in the manner described, the market administrator should use a price determined by the Secretary to be equivalent to the price which is required. Including such provision in the order will leave no uncertainty with respect to the procedure which shall be followed in the absence of any price quotations which are customarily used and thereby will prevent any unnecessary interruption in the operation of the order.

d. *Distribution of proceeds to producers.* The order should contain provisions whereby the payments made by handlers for milk at class prices are converted to uniform prices to be paid to producers. The provisions should specify also the terms under which such payments must be made.

(1) *Type of pool.* The order should provide for market pooling of the value of producer milk used by all handlers.

Under a market pool the total money obligation of all handlers in the market for producer milk is combined to compute a uniform price applicable to all producer milk.

To accomplish this purpose it is necessary that there be an exchange of money among handlers such that each handler is able to pay the marketwide uniform price. The transfer of money is made through a producer-settlement fund established by the market administrator. Each handler pays into the producer-settlement fund any plus difference between the value of his milk at the market uniform price based on the market utilization of all handlers, and the value of his milk computed at the class prices. A handler whose milk has a lesser value at the class prices than at the market uniform price receives payment for the difference from the producer-settlement fund. This arrangement enables each handler to pay the uniform price to producers subject to butterfat and location differentials.

The marketwide pool will insure that each producer supplying the market will receive a return reflecting his pro rata share of Class I and Class II utilization. Each producer will receive a "blend" price for his milk which will reflect the average utilization of all pool plants in the market. Each handler, however, will pay for milk according to the class prices.

The marketwide pooling of returns to producers will promote efficient handling of milk in the area. Some plants disposing of milk in the recommended marketing area have little, if any, facilities for manufacturing reserve milk. Such plants normally limit their receipts of producer milk to the quantity needed for Class I in the flush production season and procure from other plants supplemental supplies of milk for Class I during the short production season. Other plants have some manufacturing facilities or outlets available to market surplus supplies, and thus are able to carry adequate supplies of milk throughout the year.

A marketwide pool will enable the handlers with manufacturing facilities, or any cooperative association, to handle the reserve supplies and yet pay to producers the same price as is paid by handlers who do not assume the responsibility of carrying the necessary reserve. The lower return for the reserve milk in the market will thereby be apportioned equally among all producers in the market. Under an individual-handler pooling system as proposed by two handlers, this burden would be carried by individual groups of producers.

Many handlers in the proposed Minnesota-North Dakota marketing area depend on one of several associations for their "balancing" supplies, and the cooperatives assume responsibility in disposition of milk in excess of handlers' needs. It would be impossible for such associations to maintain equitable returns to producer members without the operation of a market pool.

Two handlers proposed an individual-handlers method of pooling. For the reasons set forth above, it has been concluded that a marketwide pool is necessary and that an individual-handler pool would be inappropriate.

(2) *Payments to producers.* Each handler under the order should pay each producer for milk received from such producer and for which payment is not made to a cooperative association at not less than the applicable uniform price.

A partial payment for milk delivered during the first 15 days of the month would also be required on or before the last day of the month at not less than the Class II price for the preceding month without deduction for hauling. Final payment to producers would be required on or before the 15th day of the month at the applicable uniform price for the preceding month, less partial payments and authorized deductions.

Provision should be made for a cooperative association, which is acting in the capacity of a handler on diverted milk, or a handler operating a pool plant, to receive payment for the producer milk it caused to be delivered to a pool plant.

A partial payment at the applicable Class II price for the preceding month, without deduction for hauling, would be required on or before the 26th day of the month for milk so delivered during the first 15 days of such month. A final settlement would be required on or before the 13th day after the end of the month in which such milk was delivered. This settlement will be made on the basis of the applicable class prices, less partial payment and authorized deductions.

Further, each handler should pay a cooperative association for milk received from such association in its capacity as a handler on bulk tank milk pursuant to § 1060.10(c) of the order. A partial settlement for such milk received during the first 15 days of the month should be made at not less than the Class II price for the preceding month. The final settlement for the value of such milk should be made at the applicable uniform price, less partial payments.

In making payments to producers, the handler should be required to furnish each producer a supporting statement. This statement should show the pounds and butterfat tests of milk received from such producer, the rate of payment for such milk, if such rate is other than the applicable minimum rate, and any deductions claimed by the handler.

(3) *Producer-settlement fund.* All producers will receive payment at the rate of the marketwide uniform price each month. Because the payment due from each handler for producer milk at the applicable class prices may be more or less than he is required to pay directly to producers, a method of equalizing this difference is necessary. A producer-settlement fund should be established for this purpose. A handler whose obligation for producer milk received during the month is greater than the amount he is required to pay producers for such milk at the applicable uniform prices would pay the difference into the producer-settlement fund and each handler whose obligation for producer milk is less than the applicable uniform price values would receive payment of the difference from the fund. Provision for the establishment and maintenance of the producer-settlement fund as set forth in the attached order is similar to that contained in other Federal orders with marketwide pools.

For efficient functioning of the producer-settlement fund, a reasonable reserve should be set aside at the end of each month. This is necessary to provide for such contingencies as the failure of a handler to make payment of his monthly billing to the fund or the payment to a handler from the fund by reason of an audit adjustment. The reserve, which would be operated as a revolving fund and adjusted each month, is established in the attached order at not less than 4 nor more than 5 cents per hundredweight of producer milk in the pool for the month.

Any payments on partially regulated milk received by the market administrator from any handler would be deposited in the producer-settlement fund. Money thus deposited would be included in the uniform price computation and thereby be distributed to all producers on the market.

e. *Administrative provisions.* Provisions should be included in the order with respect to the administrative steps necessary to carry out the proposed regulation.

In addition to the definitions discussed earlier in this decision, which define the scope of the regulation, certain other terms and definitions are desirable in the interest of brevity and to assure that each usage of the term denotes the same meaning. Such terms as are defined in the attached order are common to many other Federal milk orders.

(1) *Market Administrator.* Provision should be made for the appointment by the Secretary of a market administrator to administer the order and to set forth the powers and duties for such agency essential to the proper functioning of such office.

(2) *Records and reports.* Provisions should be included in the order requiring handlers to maintain adequate records of their operations and to make reports necessary to establish classification of producer milk and payments due therefore. Such reports are necessary for the computation of the uniform price and determination of each plant's continuing status under the order. The maintenance of adequate records is necessary to enable the market administrator to verify receipts and utilization as reported by the handlers and to verify that the several financial obligations arising under the order are fully discharged.

It is essential that handlers' reports be submitted to the market administrator not later than the 7th day after the end of each month. The market administrator should announce the uniform price for the previous month's milk by the 12th day of each month. Handlers should submit payments due to the producer-settlement fund on or before the 12th day after the end of the month. The payroll report of each handler should be submitted to the market administrator on or before the 20th day of each month. It should include such information as weight, butterfat tests, payments for milk and authorized deductions.

Handlers should maintain and make available to the market administrator all records and accounts of their operations, together with facilities which are necessary to determine the accuracy of information reported to the market administrator or any other information upon which the classification of producer milk depends. The market administrator must likewise be permitted to check the accuracy of weights and tests of milk and milk products received and handled, and to verify all payments required under the orders.

Detailed reports to the market administrator and complete records available for his inspection by all handlers would be used to determine whether the plants of such handlers qualify as pool plants. Reports of handlers operating nonpool plants from which fluid milk products are distributed in the marketing area would also be used by the market administrator to compute the amounts payable to the producer-settlement fund on such unpriced milk.

A cooperative association having authority to market milk for member producers should have available to it information on the use of such milk by individual handlers in order that member milk may be directed to those handlers needing Class I milk. This will promote orderly marketing by enabling the efficient allocation among handlers of available milk supplies and assist producers in maximizing their returns. A provision, therefore, should be included to authorize the market administrator to provide this information when it is requested by such an association. For the purpose of this report, the utilization of member milk in each handler's plant would be prorated to each class in the same ratio as all producer milk is allocated to each class during the month.

It is necessary that handlers retain records to prove the utilization of milk and that proper payments were made therefor. Since books and records of all handlers cannot be completely audited immediately after receipt of the milk, it becomes necessary to keep such records for a reasonable period of time.

The order should provide limitations on the period of time handlers shall be required to retain books and records and on the period of time in which obligations under the orders shall terminate. Provision made in this regard is identical in principle with the general amendment (made to all milk orders which were in operation on July 30, 1947), following the Secretary's decision of January 26, 1949 (14 F.R. 444). That decision covering the retention of records and limitation of claims, is equally applicable in this situation and is adopted as a part of this decision.

(3) *Expense of administration.* Each handler should be required to pay to the market administrator, as his proportionate share of the cost of administering the order, 4 cents per hundredweight, or such lesser amount as the Secretary may prescribe, on producer milk (including milk of such handler's own production) and on other source milk allocated to Class I (except milk so assessed under another Federal order).

The market administrator must have sufficient funds to enable him to administer properly the terms of the order. The Act provides that such cost of administration shall be financed through an assessment on handlers. A principal function of the market administrator is to verify the receipts and disposition of milk from all sources. Equity in sharing the cost of administration of the order among handlers will be achieved, therefore, by applying the administrative assessment on the basis of Grade A milk received from dairy farmers at a plant and on other source milk allocated to Class I milk.

The order provides that a cooperative association may act as the handler for milk of members which is delivered in tank trucks directly from the farm to pool plants of other handlers.

The cooperative is considered the handler for such milk only for the purpose of accounting to the individual producers. Such milk is producer milk at the plant of the receiving handler and is treated the same as any other direct receipt from producers. Therefore the handler who receives the milk should pay the administrative assessment on it.

The order specifies minimum performance standards that must be met to obtain regulated status. Operators of plants not meeting such standards are required to either (1) make specified payments into the producer-settlement fund on route distribution in the marketing area in excess of offsetting purchases of Federal order Class I milk, or (2) otherwise pay into such fund and/or to dairy farmers an amount not less than the classified use value of his receipts from dairy farmers computed as though such plant were a fully regulated plant.

The market administrator, in administering an order as it applies to the nonpool route distributor, must incur expenses in essentially the same manner as in applying the order to pool handlers. However, the order is not applicable to such distributor to the same extent as to regulated handlers. Hence, payment of the administrative assessment on his in-area sales reasonably would constitute his pro rata share of administrative expense.

In the case of unregulated milk which enters the market through a regulated plant for Class I use, it is the regulated handler who utilizes the unregulated milk and who must report to the market administrator the receipt and use of such milk. Also, the receipts and utilization of all milk at his plant are subject to verification by the market administrator. Hence, it is appropriate that the regulated handler be responsible for payment of the administrative assessment on such regulated milk.

The order is designed so that the cost of administration is shared equitably among all handlers distributing milk in the proposed marketing area. However, to prevent duplication an assessment should not be made on other source milk on which an assessment was made under another Federal order.

In view of the anticipated volume of milk and the costs of administering orders in markets of comparable circumstances, it is concluded that an initial rate of 4 cents per hundredweight is necessary to meet the expenses of administration. Provision should be made to enable the Secretary to reduce the amount of the administrative assessment without the necessity of amending the order.

A higher assessment rate may prevail when the order is first issued since part of the assessment is used each month to provide a reserve fund for operational expenses. Once the necessary reserve has been established, the assessment rate to handlers is reduced to whatever rate is needed to meet operating expenses. This may be done at any time experience in the market reveals that a lesser rate will provide sufficient revenue for proper administration of the order.

(4) *Marketing services.* Provisions should be made in the order for furnishing marketing services to producers, such as verifying the tests and weights of producer milk and furnishing market information. These services should be provided by the market administrator

and the cost should be borne by producers for whom the services are rendered. If a cooperative association is performing such services for its member-producers and is approved for such activity by the Secretary, the market administrator may accept this in lieu of his own service.

Milk produced on a handler's own farm should be exempt from marketing service deductions, even though it is subject to the other provisions of the order. There are no payments to producers to verify on such milk and, therefore, no need to provide the same marketing services as are provided other producers.

There is need for a marketing service program in connection with the administration of the order in this area. Orderly marketing will be promoted by assuring individual producers that they have obtained accurate weights and tests of their milk. Complete vertification requires that butterfat tests and weighs of individual producer deliveries reported by the handler are accurate.

An additional phase of the marketing service program is to furnish producers with correct market information. Efficiency in the production, utilization, and marketing of milk will be promoted by providing for the dissemination of current market information on a market-wide basis to producers.

To enable the market administrator to furnish these marketing services, provision should be made for a maximum deduction of 5 cents per hundredweight with respect to receipts of milk from producers for whom he renders such marketing services. Comparison of the number of producers involved and the expected volume of milk with that of other markets indicates that a 5-cent rate is reasonable and should provide the funds necessary to conduct the program. If later experience indicates that marketing services can be performed at a lesser rate, provision is made whereby the Secretary may adjust the rate downward without the necessity of a hearing.

Miscellaneous. A "base and excess" plan of distributing returns for milk among producers and designed to encourage more even production throughout the year was suggested by one handler. Although such a plan was supported on the record by certain handlers and producer groups, the data concerning the seasonality of production of all producers who supply the market are not extensive enough to permit consideration of a base-excess plan for this market at this time.

Rulings on proposed findings and conclusions. Briefs and proposed findings and conclusions were filed on behalf of certain interested parties. These briefs, proposed findings and conclusions, and the evidence in the record were considered in making the findings and conclusions set forth above. To the extent that the suggested findings and conclusions filed by interested parties are inconsistent with the findings and conclusions set forth herein, the requests to make such findings or to teach such conclusions are denied for the reasons previously stated in this decision.

General findings. (a) The proposed marketing agreement and order and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(b) The parity prices of milk as determined pursuant to section 2 of the Act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the marketing area, and the minimum prices specified in the proposed marketing agreement and the order are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(c) The proposed marketing agreement and order will regulate the handling of milk in the same manner as, and will be applicable to persons in the respective classes of industrial and commercial activity specified in, a marketing agreement upon which a hearing has been held.

Rulings on exceptions. In arriving at the findings and conclusions, and the regulatory provisions of this decision, each of the exceptions received was carefully and fully considered in conjunction with the record evidence pertaining thereto. To the extent that the findings and conclusions, and the regulatory provisions of this decision are at variance with any of the exceptions, such exceptions are hereby overruled for the reasons previously stated in this decision.

Marketing agreement and order. Annexed hereto and made a part hereof are two documents entitled, respectively, "Marketing Agreement Regulating the Handling of Milk in the Minnesota-North Dakota Marketing Area", and "Order Regulating the Handling of Milk in the Minnesota-North Dakota Marketing Area", which have been decided upon as the detailed and appropriate means of effectuating the foregoing conclusions.

It is hereby ordered, That all of this decision, except the attached marketing agreement, be published in the FEDERAL REGISTER. The regulatory provisions of said marketing agreement are identical with those contained in the attached order which will be published with this decision.

Referendum order; determination of representative period; and designaton of referendum agent. It is hereby directed that a referendum be conducted among producers to determine whether the issuance of the attached order regulating the handling of milk in the Minnesota-North Dakota marketing area, is approved or favored by the producers, as defined under the terms of the proposed order, and who, during the representative period, were engaged in the production of milk for sale within the aforesaid marketing area.

The month of June 1967 is hereby determined to be the representative period for the conduct of such referendum.

A. T. Radigan and Edward T. Coughlin are hereby designated agents of the Secretary to conduct such referendum in accordance with the procedure for the conduct of referenda to determine producer approval of milk marketing orders (7 CFR 900.300 et seq.), such referendum to be completed on or before the 30th day from the date this decision is issued.

Signed at Washington, D.C., on August 22, 1967.

GEORGE L. MEHREN,
Assistant Secretary.

Order[1] Regulating the Handling of Milk in the Minnesota-North Dakota Marketing Area

GENERAL DEFINITIONS

Sec.
1060.1 Act.
1060.2 Minnesota-North Dakota marketing area.
1060.3 Route.
1060.4 Department.
1060.5 Chicago butter price.

DEFINITION OF PERSONS

1060.6 Person.
1060.7 Secretary.
1060.8 Producer.
1060.9 Cooperative association.
1060.10 Handler.
1060.11 Producer-handler.

DEFINITIONS OF MILK AND MILK PRODUCTS

1060.15 Producer milk.
1060.16 Diverted milk.
1060.17 Other source milk.
1060.18 Fluid milk product.

DEFINITIONS OF PLANTS

1060.20 Plant.
1060.21 Distributing plant.
1060.22 Supply plant.
1060.23 Pool plant.
1060.24 Nonpool plant.

MARKET ADMINISTRATOR

1060.30 Designation.
1060.31 Powers.
1060.32 Duties.

REPORTS, RECORDS AND FACILITIES

1060.35 Reports of receipts and utilization.
1060.36 Payroll reports.
1060.37 Other reports.
1060.38 Records and facilities.
1060.39 Retention of records.

CLASSIFICATION OF MILK

1060.40 Skim milk and butterfat to be classified.
1060.41 Classes of utilization.
1060.42 Shrinkage.
1060.43 Responsibility of handlers and reclassification of milk.
1060.44 Transfers.
1060.45 Computation of skim milk and butterfat in each class.
1060.46 Allocation of skim milk and butterfat to be classified.

MINIMUM PRICES

1060.50 Basic formula price.
1060.51 Class prices.
1060.52 Butterfat differentials to handlers.
1060.53 Location differentials to handlers.

APPLICATION OF PROVISIONS

1060.60 Producer-handlers and exempt institutions.
1060.61 Plants subject to other Federal orders.

[1] This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure, governing proceedings to formulate marketing agreements and marketing orders have been met.

Sec.
1060.82 Obligation of handler operating a partially regulated distributing plant.

DETERMINATION OF UNIFORM PRICE

1060.70 Computation of the net pool obligation of each pool handler.
1060.71 Computation of uniform price.

PAYMENTS

Sec.
1060.80 Time and method of payment.
1060.81 Butterfat differential to producers.
1060.82 Location differentials to producers and on nonpool milk.
1060.83 Producer-settlement fund.
1060.84 Payments to the producer-settlement fund.
1060.85 Payments out of the producer-settlement fund.
1060.86 Adjustment of accounts.
1060.87 Marketing services.
1060.88 Expense of administration.
1060.89 Termination of obligation.

EFFECTIVE TIME, SUSPENSION OR TERMINATION

1060.90 Effective time.
1060.91 Suspension or termination.
1060.92 Continuing obligations.
1060.93 Liquidation.

MISCELLANEOUS PROVISIONS

1060.100 Agents.
1060.101 Separability of provisions.

AUTHORITY: The provisions of this Part 1060 issued under secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674.

§ 1060.0 Findings and determinations.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon a proposed marketing agreement and a proposed order regulating the handling of milk in the Minnesota-North Dakota marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(2) The parity prices of milk as determined pursuant to section 2 of the Act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the order are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest;

(3) The said order regulates the handling of milk in the same manner as, and is applicable only to persons in the respective classes of industrial or commerical activity specified in, a marketing agreement upon which a hearing has been held;

(4) All milk and milk products handled by handlers, as defined in this order, are in the current of interstate commerce or directly burden, obstruct, or affect interstate commerce in milk or its products; and

(5) It is hereby found that the necessary expense of the market administrator for the maintenance and functioning of such agency will require the payment by each handler, as his pro rata share of such expense, 4 cents per hundredweight or such lesser amount as the Secretary may prescribe, with respect to:

(a) Producer milk (including a handler's own farm production);

(b) Other source milk allocated to Class I milk pursuant to § 1060.46(a) (4) and (8) and the corresponding steps in § 1060.46(b); and

(c) Class I milk disposed of in the marketing area from a partially regulated distributing plant that exceeds the hundredweight of Class I milk received during the month at such plant from pool plants and other order plants.

Order relative to handling. It is therefore ordered, that on and after the effective date hereof, the handling of milk in the Minnesota-North Dakota marketing area shall be in conformity to, and in compliance with, the following terms and conditions:

The provisions of §§ 1060.0 to 1060.101, both inclusive, of the proposed order contained in the recommended decision issued by the Deputy Administrator, Regulatory Programs, on April 28, 1967 (32 F.R. 6872; F.R. Doc. 67–4920), shall be and are the terms and conditions of this order and are set forth in full herein subject to the following revisions:

Changes are made in §§ 1060.2, 1060.16, 1060.41(b)(5) (iii), (vi), and (vii), 1060.46(a)(4)(iii), 1060.53 (a) and (b)(1), 1060.80(c) (introductory text and (2)), and 1060.82(a).

GENERAL DEFINITIONS

§ 1060.1 Act.

"Act" means Public Act No. 10, 73d Congress, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.).

§ 1060.2 Minnesota-North Dakota marketing area.

(a) "Minnesota-North Dakota marketing area" (hereinafter referred to as the "marketing area") means all the territory within the boundaries of the counties listed below, including territory wholly or partly within such boundaries occupied by Government (municipal, State, or Federal) reservations, installations, institutions or other similar establishments:

MINNESOTA

Becker.	Marshall.
Beltrami.	Norman.
Big Stone.	Otter Tail.
Clay.	Pennington.
Clearwater.	Polk.
Douglas.	Red Lake.
Grant.	Roseau.
Hubbard.	Stevens.
Kittson.	Traverse.
Lake of the Woods.	Wadena.
Mahnomen.	Wilkin.

NORTH DAKOTA

Barnes.	Pembina.
Cass.	Ramsey.
Cavalier.	Ransom.
Dickey.	Richland.
Grand Forks.	Sargent.
Griggs.	Steele.
La Moure.	Traill.
Nelson.	Walsh.

SOUTH DAKOTA

Grant.	Roberts.
Marshall.	

(b) The "base zone" shall include that portion of the marketing area in the counties of Clay, Marshall, Norman, Pennington, Polk, and Red Lake, all in the State of Minnesota; and the counties of Cass, Grand Forks, and Traill, all in the State of North Dakota.

§ 1060.3 Route.

"Route" means a delivery to a wholesale or retail outlet either directly or through a distributing facility such as a distribution point, a plant store, or a vendor of a fluid milk product classified as Class I pursuant to § 1060.41(a)(1), other than a delivery to a pool plant or a nonpool plant.

§ 1060.4 Department.

"Department" means the U.S. Department of Agriculture or such other Federal agency as is authorized to perform the price reporting functions specified in this part.

§ 1060.5 Chicago butter price.

"Chicago butter price" means the simple average as computed by the market administrator of the daily wholesale selling prices (using the midpoint of any price range as one price) per pound of Grade A (92-score) bulk creamery butter at Chicago as reported during the month by the Department.

DEFINITIONS OF PERSONS

§ 1060.6 Person.

"Person" means any individual, partnership, corporation, association, institution, or other business unit.

§ 1060.7 Secretary.

"Secretary" means the Secretary of Agriculture of the United States or such other officer or employee of the United States as is authorized to exercise the powers or to perform the duties of the said Secretary of Agriculture of the United States.

§ 1060.8 Producer.

"Producer" means any person, other than a producer-handler as defined in any order (including this part) issued pursuant to the Act, who produces milk in compliance with the Grade A inspection requirements of a duly constituted health authority, which milk is (a) received at a pool plant, or (b) diverted as producer milk pursuant to § 1060.16.

§ 1060.9 Cooperative association.

"Cooperative association" means any cooperative marketing association of producers which the Secretary determines, after application by the association:

(a) Is qualified under the provisions of the Act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act;"

(b) Has full authority in the sale of milk of its members and is engaged in making collective sales of or marketing milk or its products for its members; and

(c) Has its entire activities under the control of its members.

§ 1060.10 Handler.

"Handler" means:

(a) Any person (including any cooperative association) in his capacity as the operator of one or more pool plants;

(b) Any cooperative association with respect to producer milk which it causes to be diverted for its account from a pool plant pursuant to § 1060.16;

(c) Any cooperative association with respect to the milk of its member producers which is delivered directly from the farm to the pool plant of another handler in a tank truck owned, operated by, under contract to, or under the control of such cooperative association. The milk for which a cooperative association is a handler pursuant to this paragraph shall be deemed to have been received at the location of the pool plant to which it was delivered;

(d) Any person who operates a partially regulated distributing plant. This definition shall not apply to a governmentally owned and operated institution which is exempt from the provisions of this part pursuant to § 1060.60(b); and

(e) A producer handler, or any person who operates an other order plant as described in § 1060.61;

§ 1060.11 Producer-handler.

"Producer-handler" means any person who operates a dairy farm and a distributing plant and who received no milk during the month from other dairy farmers or from sources other than pool plants and not more than 3,000 pounds of milk and fluid milk products (including the milk equivalent of nonfluid products which are reconstituted into fluid milk products) during the month from any source. Such person must provide proof satisfactory to the market administrator that (a) the care and management of all the dairy animals and other resources necessary to produce the milk are the personal enterprise of and at the personal risk of such person, and (b) the operation of the processing and distributing business is the personal enterprise of and at the personal risk of such person.

DEFINITIONS OF MILK AND MILK PRODUCTS

§ 1060.15 Producer milk.

"Producer milk" means all the skim milk and butterfat contained in Grade A milk:

(a) Received during the month at a pool plant directly from a producer or a handler pursuant to § 1060.10(c);

(b) Diverted subject to the provisions of § 1060.16 from a pool plant to a nonpool plant other than an other order plant or a producer-handler plant; or

(c) Received by a cooperative association handler pursuant to § 1060.10(c) from producers in excess of the quantity delivered to pool plants.

§ 1060.16 Diverted milk.

"Diverted milk" means, for any month, milk produced by a dairy farmer which a pool plant handler or a handler pursuant to § 1060.10(b) caused to be moved from the farm to a nonpool plant (other than the plant of a producer-handler) if such movement is specifically reported and the conditions of paragraphs (a) or (b), and (c) of this section have been met. Such milk shall be deemed to have been received by the diverting handler at the location of the nonpool plant to which diverted in applying §§ 1060.53 and 1060.82. The diversion of producer milk is subject to the following conditions:

(a) During March through June a cooperative association handler pursuant to § 1060.10(b) may divert for its account without limit the milk of any member producer. During the months of July through February such handler may divert an aggregate quantity not exceeding 50 percent of the milk of all such producers whose milk has been received at a pool plant(s) for at least 3 days during the month.

(b) During March through June a handler in his capacity as the operator of a pool plant may divert for his account without limit the milk of any producer, other than a member of a cooperative association which has diverted milk pursuant to paragraph (a) of this section. During the months of July through February such handler may divert an aggregate quantity not exceeding 50 percent of the milk of all such producers whose milk has been received at his pool plant(s) for at least 3 days during the month.

(c) In the event milk receipts from dairy farmers are diverted in excess of the applicable percentages pursuant to paragraphs (a) and (b) of this section the diverting handler shall specify the dairy farmers whose milk was overdiverted. Only the milk of such dairy farmer(s) which is received at a pool plant during the month shall be producer milk for such month.

§ 1060.17 Other source milk.

"Other source milk" means all skim milk and butterfat contained in or represented by:

(a) Fluid milk products received from any source except:

(1) Producer milk;

(2) Fluid milk products received from pool plants; or

(3) Inventory of fluid milk products on hand at the beginning of the month; and

(b) Products, other than fluid milk products, received from any source (including those produced at the plant) which are reprocessed or converted into or combined with another product in the plant during the month, and any disappearance of products other than fluid milk products not otherwise accounted for.

§ 1060.18 Fluid milk product.

"Fluid milk product" means milk, skim milk, flavored milk, concentrated milk, buttermilk, milk drinks (plain or flavored), sour cream and sour cream products labeled Grade A, cream or any mixture in fluid form of cream and milk or skim milk. The term includes these products in fluid, frozen, fortified (including "dietary" milk products) or reconstituted form but does not include sterilized products in hermetically sealed containers and such products as yogurt, eggnog, aerated cream in dispensers, ice cream mix, frozen dessert mix and evaporated or condensed milk or skim milk.

DEFINITIONS OF PLANTS

§ 1060.20 Plant.

"Plant" means the land, buildings, facilities, and equipment constituting a single operating unit or establishment at which milk or milk products are received, processed and/or packaged. Separate facilities used only as a reload point for transferring bulk milk from one tank truck to another shall not be a plant under this definition. Facilities used only as a distribution point for storing fluid milk products in transit on routes shall not be a plant under this definition.

§ 1060.21 Distributing plant.

"Distributing plant" means a plant that is approved by an appropriate health authority for the processing or packaging of Grade A milk and from which fluid milk products are disposed of during the month on routes.

§ 1060.22 Supply plant.

"Supply plant" means a plant from which a fluid milk product that is acceptable to the appropriate health authority for distribution in the marketing area as Grade A is moved during the month to a distributing plant.

§ 1060.23 Pool plant.

"Pool plant" means any plant meeting the conditions of paragraph (a) or (b) of this section except the plant of a handler exempted pursuant to § 1060.60 and § 1060.61: *Provided*, That if a portion of a plant is physically separated from the Grade A portion of such plant, is operated separately and is not approved by any health authority for the receiving, processing, or packaging of any fluid milk product for Grade A disposition, it shall not be considered as part of a pool plant pursuant to this section.

(a) A distributing plant from which during the month there is disposed:

(1) As Class I milk on routes in the marketing area not less than 15 percent of Grade A milk receipts at such plant; and

(2) As Class I milk on routes or by transfer to another plant and classified as Class I pursuant to § 1060.44 not less than the applicable percentage of such plant's receipts of Grade A milk:

(i) March through June, 20 percent;

(ii) July through February, 25 percent: *Provided*, That all distributing plants operated by a handler may be

considered as one plant for the purpose of meeting the applicable percentage requirement of this subparagraph if the handler submits a written request to the market administrator prior to the delivery period for which such consideration is requested; and

(b) A supply plant from which not less than 25 percent of its producer receipts at such plant during the month is shipped as fluid milk products to pool plants qualified pursuant to paragraph (a) of this section: *Provided*, That a supply plant which qualified pursuant to this paragraph in each of the immediately preceding months of August through November shall be a pool plant for the months of March through June unless the plant operator requests the market administrator in writing that such plant not be a pool plant, such nonpool status to be effective the first month following such notice and thereafter until the plant qualifies as a pool plant on the basis of shipments.

§ 1060.24 Nonpool plant.

"Nonpool plant" means any milk receiving, manufacturing or processing plant other than a pool plant. The following categories of nonpool plants are further defined as follows:

(a) "Other order plant" means a plant that is fully subject to the pricing and pooling provisions of another order issued pursuant to the Act.

(b) "Producer-handler plant" means a plant operated by a producer-handler as defined in any order (including this part) issued pursuant to the Act.

(c) "Partially regulated distributing plant" means a nonpool plant that is neither an other order plant nor a producer-handler plant from which fluid milk products (labeled Grade A) in consumer-type packages or dispenser units are distributed on routes in the marketing area during the month.

(d) "Unregulated supply plant" means a nonpool plant that is a supply plant and is neither an other order plant nor a producer-handler plant.

MARKET ADMINISTRATOR

§ 1060.30 Designation.

The agency for the administration of this part shall be a market administrator, selected by the Secretary, who shall be entitled to such compensation as may be determined by, and shall be subject to removal at the discretion of the Secretary.

§ 1060.31 Powers.

The market administrator shall have the following powers with respect to this part:

(a) To administer its terms and provisions;

(b) To receive, investigate, and report to the Secretary complaints of violations;

(c) To make rules and regulations to effectuate its terms and provisions; and

(d) To recommend amendments to the Secretary.

§ 1060.32 Duties.

The market administrator shall perform all duties necessary to administer the terms and provisions of this part, including but not limited to the following:

(a) Within 45 days following the date on which he enters upon his duties, or such lesser period as may be prescribed by the Secretary, execute and deliver to the Secretary a bond effective as of the date on which he enters upon his duties and conditioned upon the faithful performance of such duties, in an amount and with surety thereon satisfactory to the Secretary;

(b) Employ and fix the compensation of such persons as may be necessary to enable him to administer its terms and provisions;

(c) Obtain a bond in a reasonable amount, and with satisfactory surety thereon, covering each employee who handles funds entrusted to the market administrator;

(d) Pay out of the funds provided by § 1060.88 the cost of his bond and of the bonds of his employees, his own compensation, and all other expenses except those incurred under § 1060.87, necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties;

(e) Keep such books and records as will clearly reflect the transactions provided for in this part, and upon request by the Secretary, surrender the same to such other person as the Secretary may designate;

(f) Submit his books and records to examination by the Secretary and furnish such information and reports as may be required by the Secretary;

(g) Verify all reports and payments of each handler by audit of such handler's records and of the records of any other handler or person upon whose utilization the classification of skim milk and butterfat for such handler depends and by such other means as are necessary;

(h) Publicly disclose to handlers and producers at his discretion, unless otherwise directed by the Secretary, the name of any person who, within 10 days after the date upon which he is required to perform such acts, has not made reports pursuant to §§ 1060.35 to 1060.37, inclusive, or has not made payments pursuant to §§ 1060.80, 1060.84, 1060.86, 1060.87, and 1060.88.

(i) Prepare and disseminate to the public such statistics and such information as he deems advisable and as do not reveal confidential information;

(j) Publicly announce on or before:

(1) The 6th day of each month, the Class I price and butterfat differential for the month computed pursuant to §§ 1060.51(a) and 1060.52(a), respectively; and the Class II price and butterfat differential for the immediately preceding month computed pursuant to §§ 1060.51(b) and 1060.52(b), respectively; and

(2) The 12th day of each month, the uniform price and the butterfat differential computed pursuant to §§ 1060.71 and 1060.81, respectively, both applicable to milk delivered during the immediately preceding month;

(k) On or before the 12th day of each month, report to each cooperative association which so requests the amount and class utilization of milk received by each handler during the immediately preceding month from such cooperative association in its capacity as a handler pursuant to § 1060.10(c) and directly from members of such cooperative association. For the purpose of this report the milk so received shall be prorated to each class in proportion to the utilization by such handler in each class remaining after allocation pursuant to § 1060.46(a)(1) through (10) and the corresponding steps of § 1060.46(b); and

(l) Whenever required for purpose of allocating receipts from other order plants pursuant to § 1060.46(a)(9) and the corresponding step of § 1060.46(b), the market administrator shall estimate and publicly announce the utilization (to the nearest whole percentage) in each class during the month of skim milk and butterfat, respectively, in producer milk of all handlers. Such estimate shall be based upon the most current available data and shall be final for such purpose;

(m) Report to the market administrator of the other order, as soon as possible after the report of receipts and utilization for the month is received from a handler who has received fluid milk products from an other order plant, the classification to which such receipts are allocated pursuant to § 1060.46 pursuant to such report, and thereafter any change in such allocation required to correct errors disclosed in verification of such report; and

(n) Furnish to each handler operating a pool plant who has shipped fluid milk products to an other order plant, the classification to which the skim milk and butterfat in such fluid milk products were allocated by the market administrator of the other order on the basis of the report of the receiving handler; and, as necessary, any changes in such classification arising in the verification of such report.

REPORTS, RECORDS, AND FACILITIES

§ 1060.35 Reports of receipts and utilization.

On or before the 7th day after the end of each month each handler who operates a pool plant(s) shall report for each such plant to the market administrator in the detail and on forms prescribed by the market administrator as follows:

(a) The receipts at each plant of milk from each producer (including such handlers' own production), the average butterfat test, the pounds of butterfat contained therein, the number of days on which milk was received from such producer, and the total quantity of milk and butterfat received from each handler pursuant to § 1060.10(c);

(b) The quantities of skim milk and butterfat contained in (or used in the production of) fluid milk products received from other pool plants;

(c) The quantities of skim milk and butterfat contained in receipts of other source milk;

(d) The utilization of skim milk and butterfat required to be reported pursuant to this section;

(e) The disposition of fluid milk products on routes in the marketing area;

(f) The pounds of skim milk and butterfat contained in all fluid milk products on hand, both in bulk and in packages, at the beginning and at the end of the month;

(g) Such other information with respect to receipts and utilization as the market administrator may prescribe; and

(h) Each handler specified in § 1060.10 (d) who operates a partially regulated distributing plant shall report as required in this section, except that receipts of Grade A milk shall be reported in lieu of those in producer milk. Such report shall include a separate statement showing the respective amounts of skim milk and butterfat disposed of in the marketing area as Class I milk on routes.

§ 1060.36 Payroll reports.

On or before the 20th day after the end of each month each handler, except a producer-handler or a handler making payments pursuant to § 1060.62(b), shall submit to the market administrator his producer payroll (or in the case of a handler making payments pursuant to § 1060.62(a), his payroll for dairy farmers delivering Grade A milk) for receipts during the preceding month which shall show:

(a) The total pounds of milk, the average butterfat test thereof, and the pounds of butterfat received from each producer and cooperative association and the number of days on which milk was received from such producer;

(b) The amount of payment to each producer and cooperative association; and

(c) The nature and amount of any deductions or charges involved in such payments.

§ 1060.37 Other reports.

(a) Each producer-handler and each handler making payments pursuant to § 1060.62(b) shall make reports to the market administrator at such time and in such manner as the market administrator may prescribe:

(b) Each handler pursuant to § 1060.10 (c) shall report to the market administrator in detail and on forms prescribed by the market administrator on or before the 7th day after the end of each month the quantities of skim milk and butterfat in producer milk delivered to each pool plant in such month and all other producer milk for which it is a handler;

(c) Each handler who receives milk from producers, payment for which is to be made to a cooperative association pursuant to § 1060.80(b), shall report to such cooperative association with respect to each such producer, on forms approved by the market administrator, as follows:

(1) On or before the 20th day of the month, the total pounds of milk received during the first 15 days of the month;

(2) On or before the seventh day after the end of the month:

(i) The pounds per shipment, the total pounds of milk and the average butterfat test of milk received from such producer during the month;

(ii) The amount or rate and nature of any deductions; and

(iii) The amount of any payments to such producer pursuant to § 1060.86.

§ 1060.38 Records and facilities.

Each handler shall maintain and make available to the market administrator, during the usual hours of business, such accounts and records of his operations, together with such facilities as are necessary for the market administrator to verify or establish the correct data with respect to:

(a) The receipt and utilization of all skim milk and butterfat handled in any form during the month;

(b) The weights and tests for butterfat and other content of all milk and milk products handled during the month;

(c) The pounds of skim milk and butterfat contained in or represented by all milk products in inventory at the beginning and end of each month; and

(d) Payments to dairy farmers and cooperative associations, including the amount and nature of any deductions and the disbursement of money so deducted.

§ 1060.39 Retention of records.

All books and records required under this part to be made available to the market administrator shall be retained by the handler for a period of 3 years to begin at the end of the month to which such books and records pertain: *Provided*, That if within such 3-year period, the market administrator notifies the handler in writing that the retention of such books and records, or specified books and records, is necessary in connection with a proceeding under section 8c(15)(A) of the Act or a court action specified in such notice, the handler shall retain such books and records, or specified books and records, until further written notification from the market administrator. In either case, the market administrator shall give further written notification to the handler promptly upon the termination of the litigation or when the records are no longer necessary in connection therewith.

CLASSIFICATION OF MILK

§ 1060.40 Skim milk and butterfat to be classified.

(a) The skim milk and butterfat which are required to be reported pursuant to § 1060.35 and § 1060.37(b) shall be classified each month by the market administrator pursuant to the provisions of §§ 1060.41 through 1060.46; and

(b) If any water contained in the milk from which a product is made is removed before the product is utilized or disposed of by the handler, the pounds of skim milk utilized or disposed of in such product shall be considered to be a quantity equivalent to the nonfat milk solids contained in such product plus all the water originally associated with such solids.

§ 1060.41 Classes of utilization.

Subject to the conditions set forth in §§ 1060.42 through 1060.46, the classes of utilization shall be as follows:

(a) *Class I milk.* Class I milk shall be all skim milk (including that used to produce reconstituted skim milk) and butterfat:

(1) Disposed of in the form of a fluid milk product except:

(i) Fluid milk products classified as Class II pursuant to paragraph (b) (2) and (3) of this section;

(ii) Fluid milk products which are fortified with nonfat milk solids shall be Class I in an amount equal only to the weight of an equal volume of an unfortified product of the same butterfat content;

(2) Contained in inventory of packaged fluid milk products on hand at the end of the month; and

(3) Not accounted for as Class II milk;

(b) *Class II milk.* Class II milk shall be:

(1) Skim milk and butterfat used to produce any product other than a fluid milk product;

(2) Skim milk and butterfat disposed of:

(i) For livestock feed; or

(ii) Dumped after prior notification to and opportunity for verification by the market administrator;

(3) The weight of skim milk in any fortified fluid milk product in excess of the pounds classified as Class I milk pursuant to paragraph (a)(1)(ii) of this section;

(4) In inventory of bulk fluid milk products on hand at the end of the month;

(5) Skim milk and butterfat, respectively, in actual shrinkage at each pool plant allocated pursuant to § 1060.42(b) (1) but not in excess of:

(i) Two percent of producer milk except that received from a handler pursuant to § 1060.10(c) or diverted pursuant to § 1060.16 to a nonpool plant;

(ii) Plus 1.5 percent of milk received in bulk tank lots from other pool plants;

(iii) Plus 1.5 percent of producer milk received from a handler pursuant to § 1060.10(c), except that if the handler operating the pool plant files notice with the market administrator that the purchase of such milk is on the basis of farm tests and weights determined by farm bulk tank calibrations, the applicable percentage shall be two percent;

(iv) Plus 1.5 percent of milk received in bulk tank lots from other order plants exclusive of the quantity for which Class II utilization was requested by the operators of both plants;

(v) Plus 1.5 percent of milk in bulk tank lots from unregulated supply plants, exclusive of the quantity for which Class II utilization was requested by the handler;

(vi) Less 1.5 percent of milk in bulk tank lots transferred from pool plants to other plants; and

(vii) Plus 0.5 percent of milk received by a cooperative handler pursuant to § 1060.10 (b) and (c) from producers as determined by farm tests and weights measured by farm bulk tank calibrations, unless the exception in subparagraph (5) (iii) of this paragraph applies; and

(6) Skim milk and butterfat in shrinkage allocated pursuant to § 1060.42(b)(2).

§ 1060.42 Shrinkage.

The market administrator shall allocate shrinkage over a handler's receipts at each pool plant as follows:

(a) Compute the total shrinkage of skim milk and butterfat, respectively, for each handler at each plant; and

(b) Prorate the resulting amounts among the receipts of skim milk and butterfat contained in:

(1) The net quantity of producer milk and other milk specified in § 1060.41 (b)(5) (except milk diverted to a nonpool plant pursuant to § 1060.15); and

(2) Other source milk exclusive of that specified in § 1060.41(b)(5).

§ 1060.43 Responsibility of handlers and reclassification of milk.

(a) All skim milk and butterfat shall be Class I milk unless the handler who first receives such skim milk or butterfat proves to the market administrator that such skim milk or butterfat should be classified otherwise; and

(b) Any skim milk and butterfat shall be reclassified if verification by the market administrator discloses that the original classification was incorrect.

§ 1060.44 Transfers.

Skim milk or butterfat in the form of a fluid milk product shall be classified:

(a) At the utilization indicated by the transferee and transferor handlers in their reports pursuant to § 1060.35, otherwise as Class I milk, if transferred from a pool plant to another pool plant subject in either event to the following conditions:

(1) The skim milk or butterfat so assigned to either class shall be limited to the amount thereof remaining in such class in the transferee plant after computations pursuant to § 1060.46(a)(9) and the corresponding step of § 1060.46 (b);

(2) If the transferor handler received during the month other source milk to be allocated pursuant to § 1060.46(a)(4) and the corresponding step of § 1060.46 (b), the skim milk and butterfat so transferred shall be classified so as to allocate the least possible Class I utilization to such other source milk; and

(3) If the transferor handler received during the month other source milk to be allocated pursuant to § 1060.46 (a)(8) or (9) and the corresponding steps of § 1060.46(b), the skim milk and butterfat so transferred up to the total of such receipts shall not be classified as Class I milk to a greater extent than would be applicable to a like quantity of such other source milk received at the transferee plant, if such classification would change the classification of producer milk on the market or the classification of such other source milk received by the transferor handler during the month;

(b) As Class I milk, if transferred from a pool plant to a producer-handler or to an exempt government institution as defined in § 1060.60;

(c) As Class I if transferred from a pool plant in packaged form to a nonpool plant that is neither an other order plant nor a producer-handler plant;

(d) As Class I milk, if transferred or diverted to a nonpool plant that is neither an other order plant nor a producer-handler plant and is located more than 300 miles by shortest highway distance as determined by the market administrator, from the nearer of the city halls of Fargo or Grand Forks, N. Dak., except that cream so transferred may be classified as Class II if the handler claims classification of such cream in Class II in his report pursuant to § 1060.35, the handler tags the container of such cream as for manufacturing purposes only (and so noticed on invoice), and the handler gives the market administrator sufficient notice to allow him to verify the shipment;

(e) As Class I milk if transferred or diverted in bulk to a nonpool plant that is neither an other order plant nor a producer-handler plant and is not more than 300 miles by shortest highway distance as determined by the market administrator from the nearer of the city halls of Fargo or Grand Forks, N. Dak., unless the requirements of subparagraphs (1) and (2) of this paragraph are met, in which case the skim milk and butterfat so transferred or diverted shall be classified in accordance with the assignment resulting from subparagraph (3) of this paragraph:

(1) The transferring or diverting handler claims classification pursuant to the assignment set forth in subparagraph (3) of this paragraph in his report submitted to the market administrator pursuant to § 1060.35 for the month within which such transaction occurred;

(2) The operator of such nonpool plant maintains books and records showing the utilization of all skim milk and butterfat received at such plant which are made available if requested by the market administrator for the purpose of verification; and

(3) The skim milk and butterfat so transferred or diverted shall be classified on the basis of the following assignment of utilization at such nonpool plant in excess of receipts of packaged fluid milk products from all pool plants and other order plants;

(i) Any Class I utilization disposed of on routes in the marketing area shall be first assigned to the skim milk and butterfat in the fluid milk products so transferred or diverted from pool plants, next pro rata to receipts from other order plants and thereafter to receipts from dairy farmers who the market administrator determines constitute regular sources of supply of Grade A milk for such nonpool plant;

(ii) Any Class I utilization disposed of on routes in the marketing area of another order issued pursuant to the Act shall be first assigned to receipts from plants fully regulated by such order, next pro rata to receipts from pool plants and other order plants not regulated by such order, and thereafter to receipts from dairy farmers who the market administrator determines constitute regular sources of supply for such nonpool plant;

(iii) Class I utilization in excess of that assigned pursuant to subdivisions (i) and (ii) of this subparagraph shall be assigned first to remaining receipts from dairy farmers who the market administrator determines constitute the regular source of supply for such nonpool plant and Class I utilization in excess of such receipts shall be assigned pro rata to unassigned receipts at such nonpool plant from all pool and other order plants;

(iv) To the extent that Class I utilization is not so assigned to it the skim milk and butterfat so transferred or diverted shall be classified as Class II milk;

(v) If any skim milk or butterfat is transferred to a second nonpool plant under this paragraph, the same conditions of audit, classification and allocation shall apply;

(f) As follows, if transferred to an other order plant in excess of receipts from such plant in the same category as described in subparagraph (1), (2), or (3) of this paragraph:

(1) If transferred in packaged form, classification shall be in the classes to which allocated as a fluid milk product under the other order;

(2) If transferred in bulk form, classification shall be in the classes to which allocated as a fluid milk product under the other order (including allocation under the conditions set forth in subparagraph (3) of this paragraph);

(3) If the operators of both the transferor and transferee plants so request in the reports of receipts and utilization filed with their respective market administrators, transfers in bulk form shall be classified as Class II to the extent of the Class II utilization (or comparable utilization under such other order) available for such assignment pursuant to the allocation provisions of the transferee order;

(4) If information concerning the classification to which allocated under the other order is not available to the market administrator for purposes of establishing classification pursuant to this paragraph, classification shall be as Class I subject to adjustment when such information is available;

(5) For purposes of this paragraph, if the transferee order provides for more than two classes of utilization, milk allocated to a class consisting primarily of fluid milk products shall be classified as Class I and milk allocated to other classes shall be classified as Class II; and

(6) If the form in which any fluid milk product is transferred to another order plant is not defined as a fluid milk product under such other order, classification shall be in accordance with the provisions of § 1060.41.

§ 1060.45 Computation of skim milk and butterfat in each class.

For each month the market administrator shall correct for mathematical and for other obvious errors the reports of receipts and utilization submitted pursuant to § 1060.35 by each handler and shall compute the pounds of skim milk and butterfat in each class at all pool plants of such handler. Allocation pursuant to § 1060.46 and computation of obligations pursuant to § 1060.70 shall be

based upon the combined utilization so computed.

§ 1060.46 Allocation of skim milk and butterfat classified.

After making the computations pursuant to § 1060.45, the market administrator shall determine the classification of producer milk for each handler as follows:

(a) Skim milk shall be allocated in the following manner:

(1) Subtract from the total pounds of skim milk in Class II the pounds of skim milk classified as Class II pursuant to § 1060.41(b)(5);

(2) Subtract from the pounds of skim milk in each class the pounds of skim milk in fluid milk products received in packaged form from other order plants as follows:

(i) From Class II milk, the lesser of the pounds remaining or 2 percent of such receipts; and

(ii) From Class I milk, the remainder of such receipts;

(3) Except for the first month this order is effective, subtract from the remaining pounds of skim milk in Class I, the pounds of skim milk in inventory of packaged fluid milk products on hand at the beginning of the month;

(4) Subtract in the order specified below from the pounds of skim milk remaining in each class, in series beginning with Class II, the pounds of skim milk in each of the following:

(i) Other source milk in a form other than that of a fluid milk product;

(ii) Receipts of fluid milk products for which Grade A certification is not established, or which are from unidentified sources; and

(iii) Receipts of fluid milk products from a producer-handler, as defined under this or any other Federal order, and from exempt institutions as defined in § 1060.60(b);

(5) Subtract, in the order specified below, from the pounds of skim milk remaining in Class II, but not in excess of such quantity:

(i) The pounds of skim milk in receipts of fluid milk products from an unregulated supply plant:

(*a*) For which the handler requests Class II utilization; or

(*b*) The pounds of skim milk in receipts which are in excess of the pounds of skim milk determined by subtracting from 125 percent of the pounds of skim milk remaining in Class I milk (exclusive of transfers between pool plants of the same handler) the sum of the pounds of skim milk in producer milk, receipts of fluid milk products from pool plants of other handlers, and receipts of fluid milk products in bulk from other order plants; and

(ii) The pounds of skim milk in receipts of fluid milk products in bulk from an other order plant in excess of similar transfers to such plant, if Class II utilization was requested by the operator of such plant and the transferee handler but not in excess of the pounds of skim milk remaining in Class II milk;

(6) Subtract from the pounds of skim milk remaining in each class, in series beginning with Class II, the pounds of skim milk in inventory of fluid milk products in bulk (and for the first month this order is effective, in packaged fluid milk products) on hand at the beginning of the month;

(7) Add to the remaining pounds of skim milk in Class II milk the pounds subtracted pursuant to subparagraph (1) of this paragraph;

(8) Subtract from the pounds of skim milk remaining in each class, pro rata to such quantities, the pounds of skim milk in receipts of fluid milk products from unregulated supply plants which were not subtracted pursuant to subparagraph (5)(i) of this paragraph;

(9) Subtract from the pounds of skim milk remaining in each class, in the following order, the pounds of skim milk in receipts of fluid milk products in bulk from other order plant(s), in excess in each case of similar transfers to the same plant, which were not subtracted pursuant to subparagraph (5)(ii) of this paragraph;

(i) In series beginning with Class II, the pounds determined by multiplying the pounds of such receipts by the larger of the percentage of estimated Class II utilization of skim milk announced for the month by the market administrator pursuant to § 1060.32(1) or the percentage that Class II utilization remaining is of the total remaining utilization of skim milk of the handler; and

(ii) From Class I milk, the remaining pounds of such receipts;

(10) Subtract from the pounds of skim milk remaining in each class the pounds of skim milk received in fluid milk products from pool plants of other handlers according to the classification assigned pursuant to § 1060.44(a); and

(11) If the pounds of skim milk remaining in both classes exceed the pounds of skim milk in producer milk, subtract such excess from the pounds of skim milk remaining in each class in series beginning with Class II. Any amount so subtracted shall be known as "overage";

(b) Butterfat shall be allocated in accordance with the procedure outlined for skim milk in paragraph (a) of this section; and

(c) Combine the amounts of skim milk and butterfat determined pursuant to paragraphs (a) and (b) of this section into one total for each class and determine the weighted average butterfat content of producer milk in each class.

MINIMUM PRICES

§ 1060.50 Basic formula price.

The basic formula price shall be the average price per hundredweight for manufacturing grade milk, f.o.b. plants in Wisconsin and Minnesota, as reported by the U.S. Department of Agriculture for the month. Such price shall be adjusted to a 3.5 percent butterfat basis by a butterfat differential rounded to the nearest one-tenth cent computed at 0.12 times the Chicago butter price for the month. The resulting price shall be rounded to the nearest full cent. For the purpose of computing Class I prices from the effective date hereof through April 1968, the basic formula price shall not be less than $4.05.

§ 1060.51 Class prices.

Subject to the provisions of §§ 1060.52 and 1060.53, the minimum class prices per hundredweight of milk for the month shall be as follows:

(a) *Class I price.* For the first 11 months from the effective date of this section, the price for Class I milk shall be the basic formula price for the preceding month plus $0.86, and plus 20 cents through April 1968.

(b) *Class II price.* The price for Class II milk shall be the basic formula price.

§ 1060.52 Butterfat differentials to handlers.

For milk containing more or less than 3.5 percent butterfat, the class prices for the month pursuant to § 1060.51 shall be increased or decreased, respectively, for each one-tenth percent butterfat at a rate rounded to the nearest one-tenth cent determined as follows:

(a) *Class I price.* Multiply the Chicago butter price for the preceding month by 0.120;

(b) *Class II price.* Multiply the Chicago butter price for the month by 0.115.

§ 1060.53 Location differentials to handlers.

(a) For producer milk received at a pool plant or diverted to a nonpool plant located outside the base zone and classified as Class I milk or assigned Class I location adjustment credit pursuant to paragraph (b) of this section and for other source milk for which a location adjustment is applicable, the price computed pursuant to § 1060.51(a) shall be adjusted 1.2 cents for each 10 road miles or fraction thereof that such plant is located beyond the perimeter of the base zone.

(b) For the purposes of calculating such adjustments:

(1) All distances shall be by shortest hard-surfaced highways and/or all-weather-roads, as determined by the market administrator;

(2) The adjustment pursuant to this section shall be added to the Class I price if the plant is located in North or South Dakota and shall be subtracted from such price if the plant is located in Minnesota; and

(3) Transfers of fluid milk products between pool plants shall be assigned Class I milk disposition at the receiving plant, in excess of the sum of receipts at such plant from producers (including receipts from a cooperative association as a handler of bulk tank milk pursuant to § 1060.10(c)) and the pounds assigned as Class I milk to receipts from other order plants and unregulated supply plants. Such assignment is to be made first to shipping plants priced at the same price, next to plants having a higher price, and then in sequence to plants having a lower price, beginning with the plant at which the highest price would apply.

APPLICATION OF PROVISIONS

§ 1060.60 Producer-handlers and exempt institutions.

(a) Sections 1060.40 through 1060.46, 1060.50 through 1060.54, 1060.70, 1060.71, and 1060.80 through 1060.88 shall not apply to a producer-handler; and

(b) None of the provisions of this part shall apply to a governmentally owned and operated institution which disposes of Class I milk solely for use on its own premises or to its own facilities. Sales of fluid milk products from a pool plant to such an institution shall be Class I and receipts of fluid milk products at a pool plant from such an institution shall be Class II.

§ 1060.61 Plants subject to other Federal orders.

The provisions of this order shall not apply with respect to a plant of a handler specified in paragraph (a) or (b) of this section except that such handler shall, with respect to his total receipts and disposition of skim milk and butterfat, make reports to the market administrator at such time and in such manner as the market administrator may require and shall allow verification of such reports by the market administrator:

(a) A distributing plant from which the Secretary determines a greater proportion of fluid milk products is disposed of on routes in another marketing area regulated by another order issued pursuant to the Act and such plant is fully subject to regulation of such other order: *Provided*, That a distributing plant which was a pool plant under this order in the immediately preceding month shall continue to be subject to all of the provisions of this part until the third consecutive month in which a greater proportion of its Class I disposition on routes is made in such other marketing area unless, notwithstanding the provisions of this paragraph, it is regulated by such other order; and

(b) A distributing plant which meets the requirements set forth in § 1060.23(a) which also meets the requirements of another marketing order on the basis of its distribution in such other marketing area and from which the Secretary determines a greater quantity of milk is disposed of during the month on routes in this marketing area than is so disposed of in such other marketing area but which plant is nevertheless fully regulated under such other marketing order.

§ 1060.62 Obligation of handler operating a partially regulated distributing plant.

Each handler who operates a partially regulated distributing plant shall pay to the market administrator for the producer-settlement fund on or before the 25th day after the end of the month either of the amounts (at the handler's election) calculated pursuant to paragraph (a) or (b) of this section. If the handler fails to report pursuant to §§ 1060.35(h) and 1060.36 the information necessary to compute the amount specified in paragraph (a), he shall pay the amount computed pursuant to paragraph (b) of this section:

(a) An amount computed as follows:

(1) (i) The obligation that would have been computed pursuant to § 1060.70 at such plant shall be determined as though such plant were a pool plant. For purposes of such computation, receipts at such nonpool plant from a pool plant or an other order plant shall be assigned to the utilization at which classified at the pool plant or other order plant and transfers from such nonpool plant to a pool plant or an other order plant shall be classified as Class II milk if allocated to such class at the pool plant or other order plant and be valued at the uniform price of the respective order if so allocated to Class I milk. There shall be included in the obligation so computed a charge in the amount specified in § 1060.70(f) and a credit in the amount specified in § 1060.84(b)(2) with respect to receipts from an unregulated supply plant, unless an obligation with respect to such plant is computed as specified in subdivision (ii) of this subparagraph.

(ii) If the operator of the partially regulated distributing plant so requests, and provides with his report pursuant to §§ 1060.35(b) and 1060.36, a similar report with respect to the operations of any other nonpool plant which serves as a supply plant for such partially regulated distributing plant by shipments to such plant during the month equivalent to the requirements of § 1060.23(b), with agreement of the operator of such plant that the market administrator may examine the books and records of such plant for purposes of verification of such reports, there will be added the amount of the obligation computed at such nonpool supply plant in the same manner and subject to the same conditions as for the partially regulated distributing plant.

(2) From this obligation there will be deducted the sum of (i) the gross payments made by such handler for Grade A milk received during the month from dairy farmers at such plant and like payments made by the operator of a supply plant(s) included in the computations pursuant to subparagraph (1) of this paragraph, and (ii) any payments to the producer-settlement fund of another order under which such plant is also a partially regulated distributing plant;

(b) An amount computed as follows:

(1) Determine the respective amounts of skim milk and butterfat disposed of as Class I milk on routes (other than to pool plants) in the marketing area;

(2) Deduct (except that deducted under a similar provision of another order issued pursuant to the Act) the respective amounts of skim milk and butterfat received as Class I milk at the partially regulated distributing plant from pool plants and other order plants;

(3) Combine the amounts of skim milk and butterfat remaining into one total and determine the weighted average butterfat content; and

(4) From the value of such milk at the Class I price applicable at the location of the nonpool plant, subtract its value at the uniform price applicable at such location (not to be less than the Class II price).

DETERMINATION OF UNIFORM PRICE

§ 1060.70 Computation of the net pool obligation of each pool handler.

The net pool obligation of each pool handler as described in § 1060.10 (a), (b), and (c) during each month shall be a sum of money computed by the market administrator as follows:

(a) Multiply the quantity of producer milk in each class as computed pursuant to § 1060.46(c), by the applicable class prices (adjusted pursuant to §§ 1060.52 and 1060.53);

(b) Add the amount obtained from multiplying the pounds of overage deducted from each class pursuant to § 1060.46(a)(11) and the corresponding step of § 1060.46(b) by the applicable class prices;

(c) Add the amount computed from multiplying the difference between the appropriate Class II price for the preceding month and the appropriate Class I price for the current month by the hundredweight of skim milk and butterfat subtracted from Class I pursuant to § 1060.46(a)(6) and the corresponding step of § 1060.46(b);

(d) Add (or subtract, pursuant to the proviso of this paragraph) the amount computed from multiplying the difference between the appropriate Class I price of the preceding month and the appropriate Class I price for the current month by the hundredweight of skim milk and butterfat subtracted from Class I pursuant to § 1060.46(a)(3) and the corresponding step of § 1060.46(b): *Provided*, That if the Class I price for the current month is less than the Class I price for the preceding month, the result shall be a minus amount;

(e) Add the amount equal to the difference between the value at the Class I price applicable at the pool plant and the value at the Class II price, with respect to skim milk and butterfat from other source milk subtracted from Class I pursuant to § 1060.46(a)(4) and the corresponding step of § 1060.46(b); and

(f) Add an amount equal to the value at the Class I price adjusted for location of the nearest nonpool plant(s) from which an equivalent volume was received with respect to skim milk and butterfat subtracted from Class I pursuant to § 1060.46(a)(8) and the corresponding step of § 1060.46(b).

§ 1060.71 Computation of uniform price.

For each month the market administrator shall compute a uniform price as follows:

(a) Combine into one total the values computed pursuant to § 1060.70 for all handlers who filed reports pursuant to §§ 1060.35 and 1060.37(b) for the month and who made the payments pursuant to §§ 1060.80 and 1060.84 for the preceding month;

(b) Add or subtract for each one-tenth percent that the average butterfat content of milk represented by the values specified in paragraph (a) of this section is less or more, respectively, than 3.5

percent, the amount obtained by multiplying such difference by the butterfat differential pursuant to § 1060.81 and by multiplying the result by the total hundredweight of such milk;

(c) Add an amount equal to the total value of minus location differentials computed pursuant to § 1060.82(a);

(d) Subtract an amount equal to the total value of the plus location differentials computed pursuant to § 1060.82(a);

(e) Add an amount equal to not less than one-half of the unobligated balance in the producer-settlement fund;

(f) Divide the resulting amount by the sum of the following for all handlers included in these computations;

(1) The total hundredweight of producer milk; and

(2) The total hundredweight for which a value is computed pursuant to § 1060.70(f); and

(g) Subtract not less than 4 cents nor more than 5 cents per hundredweight. The result shall be the "uniform price" for milk received from producers.

PAYMENTS

§ 1060.80 Time and method of payment.

Each handler shall make payment for milk received from producers or cooperative associations as follows:

(a) To each producer for whom payment is not made pursuant to paragraph (b) or (c) of this section:

(1) A final settlement on or before the 15th day after the end of each month during which producer milk was received, at not less than the uniform price for such milk, adjusted by the butterfat differential computed pursuant to § 1060.81, subject to the location adjustment to producers pursuant to § 1060.82, and less the following amounts:

(i) The payments made pursuant to subparagraph (2) of this paragraph;

(ii) Marketing service deductions pursuant to § 1060.87; and

(iii) Any deductions authorized by the producer: *Provided*, That if by such date such handler has not received full payment for such month pursuant to § 1060.85, he may reduce his total payment to all producers uniformly by not less than the amount of reduction in payment from the market administrator; the handler shall, however, complete such payments not later than the date for making such payments pursuant to this paragraph next following receipt of the balance from the market administrator;

(2) A partial payment on or before the last day of each month with respect to producer milk received during the first 15 days of the month at not less than the Class II price for the preceding month (without deduction for hauling);

(b)(1) On or before the second day prior to the date payments are due individual producers as specified in this section, pay to a cooperative association which so requests and which the market administrator determines is authorized by its members to collect payments for their milk and which promises in writing to reimburse the handler the amount of any actual loss incurred by him because of any member's claim on the part of the cooperative association of the payments pursuant to paragraph (a) of this section an amount equal to the sum of the individual payments otherwise payable to such producers. The foregoing payment shall be made with respect to milk of each producer whom the cooperative association certifies is a member effective on and after the first day of the calendar month next following receipt of such certification through the last day of the month next preceding receipt of notice from the cooperative association of a termination of membership or until the original request is rescinded in writing by the cooperative association; and

(2) A copy of each such request, promise to reimburse, and certified list of members shall be filed simultaneously with the market administrator by the cooperative association and shall be subject to verification at his discretion through audit of the records of the cooperative association pertaining thereto. Exceptions, if any, to the accuracy of such certification by a producer claimed to be a member, or by a handler, shall be made by written notice to the market administrator and shall be subject to his determination;

(c) To a cooperative association which is a handler pursuant to § 1060.10 (a) or (b) for milk which it caused to be delivered to such handler:

(1) A final settlement on or before the 13th day after the end of the month in which the skim milk or butterfat was received, an amount equal to not less than the applicable class prices for all skim milk and butterfat so delivered, less the amount of payment made pursuant to subparagraph (2) of this paragraph;

(2) A partial payment on or before the 26th day of each month at not less than the applicable Class II price for the preceding month (without deduction for hauling) for all skim milk and butterfat so delivered during the first 15 days of the current month;

(d) In making payments to producers pursuant to paragraph (a) of this section, each handler shall furnish each producer with a supporting statement in such form that it may be retained by the producer, which shall show:

(1) The month and the identity of the handler and of the producer;

(2) The pounds per shipment, the total pounds, and the average butterfat test of milk delivered by the producer;

(3) The minimum rate or rates at which payment to the producer is required under the provisions of §§ 1060.80, 1060.81, and 1060.82;

(4) The rate which is used in making payment, if such rate is other than the applicable minimum rate;

(5) The amount or the rate per hundredweight of each deduction claimed by the handler, including any deduction claimed under paragraph (c)(2) of this section and § 1060.87, together with a description of the respective deductions; and

(6) The net amount of payment to the producer.

§ 1060.81 Butterfat differential to producers.

The uniform price for producer milk shall be increased or decreased for each one-tenth of 1 percent that the butterfat content of such milk is above or below 3.5 percent, respectively, at the rate determined by multiplying the pounds of butterfat in producer milk allocated to Class I and Class II milk pursuant to § 1060.46 by the respective butterfat differential for each class, determined pursuant to § 1060.52, dividing the sum of such values by the total pounds of such butterfat, and rounding the resultant figure to the nearest one-tenth cent.

§ 1060.82 Location differentials to producers and on nonpool milk.

(a) For producer milk received at a pool plant or diverted to a nonpool plant located outside the base zone, the uniform price shall be adjusted at the rate set forth in § 1060.53.

(b) For purposes of computation pursuant to §§ 1060.84(b)(2) and 1060.85, the uniform price shall be adjusted at the rates set forth in § 1060.53 applicable at the location of the nonpool plant(s) from which the milk was received.

§ 1060.83 Producer-settlement fund.

The market administrator shall establish and maintain a separate fund known as the "producer-settlement fund" into which he shall deposit all funds received pursuant to paragraph (a) of this section and out of which he shall make all payments required pursuant to paragraph (b) of this section:

(a) Payments made by handlers pursuant to § 1060.62 (a) and (b), and §§ 1060.84 and 1060.86;

(b) Payments due handlers pursuant to §§ 1060.85 and 1060.86: *Provided*, That payments due any handler shall be offset by payments due from such handler pursuant to §§ 1060.62, 1060.84, 1060.86, 1060.87, and 1060.88.

§ 1060.84 Payments to the producer-settlement fund.

On or before the 12th day after the end of the month each handler shall pay to the market administrator the amount, if any, by which the total amounts specified in paragraph (a) of this section exceed the amount specified in paragraph (b) of this section: *Provided*, That payment made by a cooperative association as a handler shall not relieve the transferee handler of any obligation on any such milk which is due the cooperative association, or otherwise due pursuant to §§ 1060.80 through 1060.88:

(a) The sum of:

(1) The total of the net pool obligation computed pursuant to § 1060.70 for such handlers; and

(2) In the case of a cooperative association which is a handler pursuant to § 1060.10(c), the minimum amounts due from other handlers pursuant to § 1060.80(c)(1); and

(b) The sum of:

(1) The amount required to be paid producers (including payments to producers through cooperative associations)

pursuant to § 1060.80 before deductions authorized by the producer or cooperative association or for marketing services pursuant to § 1060.87; and

(2) The value at the uniform price(s) applicable at the location of the plant(s) from which received (not to be less than the value at the Class II price) with respect to other source milk for which a value is computed pursuant to § 1060.70(e).

§ 1060.85 Payments out of the producer-settlement fund.

On or before the 14th day after the end of each month the market administrator shall pay (subject to the proviso of § 1060.83) to each handler the amount if any by which the amount computed pursuant to § 1060.84(b) exceeds the amount computed pursuant to § 1060.84 (a). The market administrator shall offset any payment due any handler against payments due from such handler. If the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete such payments as soon as the necessary funds are available.

§ 1060.86 Adjustment of accounts.

(a) Whenever audit by the market administrator of any handler's reports, books, records, or accounts discloses errors resulting in moneys due the market administrator or any producer or cooperative association from such handler, the market administrator shall promptly notify such handler of the amount due and payment therefor shall be made within 5 days if such amount is due the market administrator, or on or before the next date for making payments to producers or a cooperative association, if such amount is due them. Whenever such audit discloses errors resulting in moneys due such handler from the market administrator, payment shall be made within 5 days.

§ 1060.87 Marketing services.

(a) Except as set forth in paragraph (b) of this section, each handler in making payments to producers other than to himself pursuant to § 1060.80(a) (1) shall deduct 5 cents per hundredweight or such lesser amount as the Secretary may prescribe with respect to all milk received by such handler from producers during the month, and shall pay such deductions to the market administrator not later than the 15th day after the end of the month. Such money shall be used by the market administrator to verify or establish weights, samples, and tests of milk received from, and to provide market information to, such producers. Such services shall be performed in whole or in part by the market administrator or by an agent engaged by and responsible to him.

(b) In the case of producers for whom a cooperative association is performing, as determined by the Secretary, the services set forth in paragraph (a) of this section, each handler shall, in lieu of the deductions specified in paragraph (a) of this section, make such deductions from the payments to be made directly to producers pursuant to § 1060.80(a)(1), as are authorized by such producers and, on or before the 15th day after the end of each month, pay over such deductions to the association (of which such producers are members) rendering such services.

(c) When requested by the cooperative association a statement shall be supplied the cooperative association showing for each producer for whom such deduction is made the amount of such deduction, the total delivery of milk, and unless otherwise previously provided, the butterfat test.

§ 1060.88 Expense of administration.

As his pro rata share of the expense of the administration of the order, each handler shall pay to the market administrator on or before the 15th day after the end of each month four cents per hundredweight or such lesser amount as the Secretary may prescribe with respect to skim milk and butterfat contained in:

(a) Producer milk (including a handler's own farm production);

(b) Other source milk allocated to Class I milk pursuant to § 1060.46(a) (4) and (8) and the corresponding steps in § 1060.46(b); and

(c) Class I milk disposed of in the marketing area from a partially regulated distributing plant that exceeds the hundredweight of Class I milk received during the month at such plant from pool plants and other order plants.

§ 1060.89 Termination of obligations.

The provisions of this section shall apply to any obligation under this part for the payment of money.

(a) The obligation of any handler to pay money required to be paid under the terms of this part shall, except as provided in paragraphs (b) and (c) of this section, terminate 2 years after the last day of the calendar month during which the market administrator receives the handler's utilization report on the milk involved in such obligation unless within such 2-year period the market administrator notifies the handler in writing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address and it shall contain, but need not be limited to, the following information:

(1) The amount of the obligation;

(2) The months during which the milk, with respect to which the obligation exists, was received or handled; and

(3) If the obligation is payable to one or more producers or to an association of producers, the name of such producers or association of producers, or if the obligation is payable to the market administrator, the account for which it is to be paid.

(b) If a handler fails or refuses, with respect to any obligation under this part, to make available to the market administrator or his representatives all books and records required by this part to be made available, the market administrator may, within the 2-year period provided for in paragraph (a) of this section, notify the handler in writing of such failure or refusal. If the market administrator so notified a handler, the said 2-year period, with respect to such obligation, shall not begin to run until the 1st day of the calendar month following the month during which all such books and records pertaining to such obligation are made available to the market administrator or his representatives.

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, a handler's obligation under this part to pay money shall not be terminated with respect to any transaction involving fraud or willful concealment of a fact, material to the obligation, on the part of the handler against whom the obligation is sought to be imposed.

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this part shall terminate 2 years after the end of the calendar month during which the milk involved in the claim was received if an underpayment is claimed, or 2 years after the end of the calendar month during which the payment (including deduction or setoff by the market administrator) was made by the handler if a refund on such payment is claimed, unless such handler, within the applicable period of time files pursuant to section 8c(15)(A) of the Act, a petition claiming such money.

EFFECTIVE TIME, SUSPENSION OR TERMINATION

§ 1060.90 Effective time.

The provisions of this part, or any amendments hereto, shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated pursuant to § 1060.91.

§ 1060.91 Suspension or termination.

The Secretary may suspend or terminate any or all of the provisions of this part after such reasonable notice as the Secretary shall give whenever he finds that it obstructs or does not tend to effectuate the declared policy of the Act. This part shall, in any event, terminate whenever the provisions of the Act authorizing it cease to be in effect.

§ 1060.92 Continuing obligations.

(a) If, upon the suspension or termination of any or all of the provisions of this part, there are any obligations arising hereunder, the final accrual or ascertainment of which requires further acts by any handler, by the market administrator, or by any other person, the power and duty to perform such further acts shall continue notwithstanding such suspension or termination: *Provided*, That any such acts required to be performed by the market administrator shall, if the Secretary so directs, be performed by such other person, persons, or agency as the Secretary may designate.

(b) The market administrator or such other person as the Secretary may designate shall (1) continue in such capacity until removed by the Secretary; (2)

from time to time account for all receipts and disbursements and deliver all funds or property on hand together with the books and records of the market administrator or such person, to such person as the Secretary shall direct; and (3) if so directed by the Secretary, execute assignments or other instruments necessary or appropriate to vest in such person full title to all funds, property and claims vested in the market administrator or such person pursuant thereto.

§ 1060.93 Liquidation.

Upon the suspension or termination of the provisions of this part, except this section, the market administrator, or such liquidating agent as the Secretary may designate shall if so directed by the Secretary, liquidate the business of the market administrator's office, dispose of all property in his possession or control, including accounts receivable, and execute and deliver all assignments or other instruments necessary or appropriate to effectuate any such disposition. If a liquidating agent is so designated, all assets, books, and records of the market administrator shall be transferred promptly to such liquidating agent. If upon such liquidation, the funds on hand exceed the amounts required to pay outstanding obligations of the office of the market administrator and to pay necessary expenses of liquidating and distribution, such excess shall be distributed to contributing handlers and producers in an equitable manner.

MISCELLANEOUS PROVISIONS

§ 1060.100 Agents.

The Secretary may, by designation in writing, name any officer or employee of the United States to act as his agent or representative in connection with any of the provisions of this part.

§ 1060.101 Separability of provisions.

If any provision of this part, or its application to any person or circumstances, is held invalid, the application of such provision, and of the remaining provisions of this part, to other persons or circumstances shall not be affected thereby.

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